



DRAFT ANNUAL REPORT

2008/2009

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CHAPTER 1:

INTRODUCTION AND OVERVIEW.

1.1. FOREWORD BY THE MAYOR

The Constitution of the Republic of South Africa establishes municipalities as an autonomous but interdependent sphere of government in a unitary system of governance; further the constitution allocates specific powers and functions to the third sphere of government.

The Municipal Structures Act & Municipal Systems Act establishes various municipal structures and regulates the operations of a municipality, this two pieces of legislation including municipal council

It is against this backdrop that in my capacity as Mayor of Molemole Local Municipality presents the 2008/2009 annual report the report is aimed at providing an honest account of how we have fared against our mandate as a public entity in being of services to the 109 423 total population and 27 889 households and the 13 municipal wards within a rural set up composed of at least 39 villages / settlements.

I must take this opportunity to convey my sincere gratitude to honorable members of Molemole Municipal council, members of the Executive Committee & other council committees, Management Team, all staff members, members of the ward committees, our traditional councils, members of our community, nongovernmental organizations, business people and all our strategic partners for their contribution big or small towards the attainment of our strategic objectives and the betterment of the quality of livelihood of our people.

2008/2009 was one of the eventful in the history of Molemole and a country as a whole we have experienced and have been impacted to by the sudden emergence of a global economic meltdown (recession) which has adversely limited the socio economic opportunities that all sectors of our society had hoped to benefit from.

As a nation 2009 was an election year we have had to play our role in ensuring that the elections becomes a success, we have during the year experienced a cholera outbreak that all of us were expected to play a pivotal role in the resolution thereof working together with other organs of the state and civil society.

As a sector we have seen an upsurge in the service delivery protests and grabbed with the pockets of xenophobic attacks leveled against African foreign nationals.

We have sadly during the year under review death has robbed us of one of the daughters, elders and icons of our soil Mma Koko Tema we will continue to draw inspirations from the lifetime lessons we were privileged with.

During the year under review we remained focused on entrenching good governance and the realization of our mission and vision as a municipality to this end we have forged strong links and partnerships with interest parties.

The focus for the year was on acceleration of delivery of quality essential municipal services to our people and the improvement of the standard and level of this service for our residents.

In respect of services whose authority falls outside the powers and functions of a municipality we have robustly fulfilled our facilitation role with various organs that have authority on such matters and this has yielded positive investments into the municipal jurisdiction.

This report will detail both the successes and challenges we have endured during the 2008/2009 financial year against municipal plans and targets national government performance targets underpinned by the strategic local government framework.

Underneath is a brief reflection on some of the milestones and challenges for the year:

1. Infrastructure Development and Basic Services.

The municipality has in the year under review embarked on several infrastructure development initiatives that have benefited our people in the creation of jobs and transfer of skills and competencies.

The implemented capital infrastructure projects includes construction road networks i.e. Matipana to Madikana road constructions project, Eisleben to Ramokgopa road construction project, Mogwadi Traffic road construction project, Mogwadi Community Hall the details on the projects shall be outlined in detail in the subsequent chapters of the annual report.

There have been numerous energy and water supply outages this largely due to ageing infrastructure, inadequate maintenance and design capacity.

Electrification of RDP houses located within the licensing area of Molemole remains a challenge.

We have however in collaboration with the District Municipality and Eskom worked on remedial plans to curb the impact of water and electricity shortages.

Our main challenge in terms of existing service oriented infrastructure is the high maintenance costs associated with key basic service provisioning equipment in particular for water and electricity reticulation services as a result of ageing infrastructure.

We have during the year under review experienced major water and electricity outages resulting in the municipality spending substantial amounts in the restoration of the service and attracting community protests.

Broad challenges includes timely and proper completion of supply chain management processes, funding for projects, skills & expertise, community participation, communication & ownership, infrastructure design and growth not linked to our service capacity.

Basic Services Provisioning.

1.1 Water

The municipality employs the following forms of water supply to provide this service house connected supply, yard connections, communal taps, communal water storage tanks and water tankers.

The appointment of the Capricorn District Municipality as a Water Services Authority for our area following the devolution of water services process has limited the local municipality's authority in so far as the development of infrastructure to render the service.

The Water Service Authority & the municipality are busy implementing a project that will result in the municipality benefiting from a sustainable bulk water supply from Nandoni Dam.

The major challenges in this regard includes the unavailability of a reliable and sustainable water source resulting in high dependency on underground water sources which in some areas have proven to have been contaminated in some areas heightening the risk of spread of water borne diseases in the area.

Theft of electricity cables and water engines as well as the periodical power interruptions hampers the efficiency of providing this service

Further challenges include inadequate funding for capital projects and maintenance of the water services functions, shortage of skilled personnel and the slow pace of completing devolving the water services function.

1.2 Sanitation

Majority of households are on a pit sanitation system and the backlog on converting all households into water borne sanitation system is 20 407.

The pit system has proven in some areas to have contributed to the pollution of underground water sources and thus further shrinking the water sources for human consumption purposes.

The unavailability of a reliable bulk water supply and the capacity of our sewer treatment plants make it difficult to implement municipal wide water borne sanitation system.

Further challenges include inadequate capital infrastructure and operation and maintenance budget for sanitation works.

1.3 Electricity

Of the total households backlogs pertaining to access to electricity is 6 397 the larger portion of this figure relates to the Eskom licensed area, for the areas under the municipality's licensed area plans are underway to have the backlog addressed during the 2009/2010 financial year.

Challenges in the provision of this service includes the fact that the municipality is not licensed as a reticulation agent for the entire municipal area, limited internal capacity to maintain electricity infrastructure resulting and inadequate allocation for operations and maintenance budget for the function.

The problem is further bombarded by the unplanned new establishment resulting from traditional leaders establishing new sites within their area without consulting with the municipality.

Ageing electricity network infrastructure resulting in constant major breakdowns and long energy supply interruption.

1.4 Refuse

Only 1391 households at Mogwadi, Morebeng & Capricorn Park benefit from this service, the service backlog is 23 621 households.

Challenges include the unavailability of licensed dumping sites in villages and the difficult in cost recovery in the rural areas, old inefficient and uneconomical infrastructure for rendering the service.

1.5 Road Infrastructure

The municipality has a total road network of ???Kilometers, of the total ??? Kilometers are tarred,??? Kilometers of are gravel roads.

Of the total ??? Kilometers are access roads and a total of ??? Kilometers are graded regularly.

A total of ?? have been provided for tarring during the current financial year

2. Institutional Transformation.

The municipality has reviewed aligned the Organizational Structure with the Integrated Development Plan.

For the year under review 214 positions have been established on the organizational structure from which 185 posts are funded whilst 139 posts were filled and 46 funded posts are vacant.

We have employed during the year 45 additional officials in various capacities in a quest to support the capacity of the municipality to deliver on its mandate, we however still experience challenges pertaining to turnaround time for filling of critical posts, under representation of disabled persons and that's affecting our equity status.

The vacancy rate remains high particularly in positions at senior, middle and supervisory levels where expert and or scarce skills are required, this is a challenge that we need to improve on going forward.

The municipality must still outline and adopt service standard levels for members of our community to be able to effectively assess our performance.

3. Local Economic Development.

Several projects aimed at stimulating economic activity were implemented during the financial year, these projects have imputed into our Gross Domestic Product as well as to creation of jobs for the various beneficiaries.

The challenge remains on ensuring that they are not self sustaining and competitive within their respective sector as well as to become expansionary in nature.

Further we need to going forward move away from a donor/grant driven economic development to establishment of sustainable municipal entities that drives our economic development.

The lack of clear long term municipal economic development strategy that is linked to other critical plans such as Spatial Plans results in an micro and unfocused approach to economic development.

Projects currently running includes: Mangata poultry project, Madikana gardening project, Mononono Poultry projects, Maswahla Cooperative and Motumo Trading Post, Botlokwa food processing, Overdyk sewing, Brilliant vegetable garden, Maserole Vegetable garden, Mohodi gardens this projects have created at least 191 jobs

4. Financial Viability.

The mandatory committees and units as envisaged by applicable Municipal Finance Management Legislations are in place; this includes the Audit committees, supply chain committees and budgetary representative forums.

In the preceding financial year we have reported that lack financial management skills has contributed to the poor management of finances, during the year under review officials and councilors underwent training in the respective area.

The municipality has introduced various financial controls and systems and through this initiative an increase in revenue was observed, the municipality's own revenue has improved but run short of reaching the desired levels and move from grant dependency to self sustainability.

The municipality was compliant with all reporting requirements of the MFMA except for publication of municipal reports on municipal website, and the adoption of the annual report by 31st March 2009.

The draft auditor general's opinion on the management of finances for the 2008/2009 financial year is a disclaimer opinion.

Challenges include availability of adequate policies and controls as well as proper accounting and record keeping systems.

Further the revenue base remains limited the debtors account and bad debts has increased substantially and therefore affecting our performance against projected revenue on budget.

We have also experienced losses on electricity & water attributed to amongst others illegal connections, meter tempering and faulty meters.

Failure to adequately provide within budget for conditional grant liabilities from previous allocations has given rise to under budgeting and over expenditure against certain votes more significantly on the capitol budget.

There are weaknesses in how council exercises its oversight on financial matters the link between council and critical committees such as oversight committee and audit committee requires improvement.

Further challenges relates to the equitable distribution of our expenditure trends in so far as benefiting our local entrepreneurs in our supply chain processes in line with the BBBEE & Preferential Procurement framework, the nature and character of local business is such that it is mainly focused on limited areas of service and therefore are unable to compete and benefit from larger capital transactions.

This distorts the performance of the municipality in so far as the support of local business.

CONDITIONAL GRANT FUNDING.

The municipality has during 2008/2009 financial year benefited from conditional grants such as Municipal Systems Improvement Grant (MSIG), Municipal Infrastructure Development Grant (MSIG) & Financial Management Grant (FMG).

This grants are in the main aimed at improving the capacity of the municipality, we have during the year received and implemented the various grants on various projects including tarring of roads, construction of halls, installation of accounting systems, training of personnel and ward committees, full details on how the grants have been expended will appear in the subsequent chapters

This one area that as a municipality historically we were not faring well in we can report that we have recorded significant improvement in how we expend the allocations as well as the return on investment thereof.

Challenges pertaining to grant commitment relates to amongst other delays in procurement of service providers and appointed service providers not sticking to agreed project time lines.

Revenue, expenditure and Budget.

The municipal budget has been developed, adopted and aligned to the IDP, it continued to guide the revenue targets and expenditure trends.

The municipality has kept an indigent register of 267 households which by far under represent the actual households legible for indigent.

Poor or lack of budget prioritization has impacted negatively on the municipality resulting in cash flow challenges and increasing creditors list.

Challenges includes improper costing resulting in under budgeting and over expenditures, commitments above budgeted amounts, dependency on grant funding for capitol and operations.

5. Good Governance.

In terms of this key performance area we are expected to uphold high standards for good practice in the areas of institutional support structures, public participation & accountability.

Institutional Structures such as Council, EXCO, Portfolio Committees, Oversight Committee, Audit Committee and ward committees are constituted and functional.

5.1 Institutional Governance Structures.

(a) Council.

Council is in place and has 25 councillors 23 of which are ANC deployees, 2 remaining seats are shared between the ACDP & DA.

Council seats quarterly however lack of participation by traditional leaders in council hampers the work of council; during the year under review council has held several special meetings of councils to process matters requiring urgent council consideration.

Council as a structure grabbed in the main with challenges including absenteeism from council sittings and events by members, malicious/unfavorable media coverage on matters whose base and source could not be validated.

(b) Executive committee.

In place and comprises of 5 councillors chaired by the Mayor and sits monthly to consider matters and reports that affects the municipality.

Exco consists of chairpersons of the four port-folio committees and the mayor and is responsible for developing final recommendations to council on matters to be considered by council.

(c) Portfolio Committees.

Council has established four portfolio committees to serve as working committees of council responsible for considering reports and advising council through the Executive committee on such matters.

The portfolio committees are Finance, Corporate Services, Community Services, Infrastructure and Planning and Development.

This committee exercise departmental oversight on the operations of the administrative department they are linked to.

(d) Audit Committee.

Legislation requires that council must in addition to an administrative internal audit unit establish appoints an independent audit committee composed by persons possessing various skills and competencies

For the 2008/2009 financial year an audit committee was appointed and its schedule approved and charged with a responsibility to give technical advice to council, council committees and administration on matters considered by the audit committee.

Council and administration has considered and in some instances implemented various advices and opinions stemming from the audit committee.

(e) Oversight Committee.

An oversight committee has been established in accordance with the Municipal Structures Act and fulfills its function as a committee of council.

During 2008/2009 the committee was responsible for considering and conducting public participation on the annual report for 2007/2008 and generates recommendations to inform the opinion of council.

There were challenges however in adhering to the legislated timelines resulting in late approval of the annual report.

(f) Ward Committees.

All wards have established ward committees; however there are challenges in respect of regular meetings of the committee and general ward meetings as well as failure to report on ward committee activities.

Ward committees are represented and take part in various municipal consultative structures.

5.2 Public Participation.

Several community Imbizos were conducted to inform and acquire input of the community on municipal matters and processes.

Issues that emerge from the imbizos includes concerns on the quality and level of basic services, affordability of services, high rate of unemployment, lack of recreational and sporting facilities, inadequate community facilities.

Further IDP & Budget Rep Forums were held as per schedule to consider, consult and finalise the Draft IDP & Budget.

Key challenges in terms of this process includes differences between IDP & CBP needs, objectives, priorities & plans, inadequate understanding of municipal planning & budgeting process, lack or poor participation by key stakeholders

In accordance with the spirit and essence of the constitution which recognizes the role powers and functions of traditional authorities the municipality has established a Mayor Magoshi consultative forum to enable this important partner to participate meaningfully in municipal processes. There is still however need for the upper spheres to finalise the separation of powers between local municipalities and traditional authority to avoid power contestation.

We should strengthen our community report back sessions to enable our communities to keep track of municipal performance throughout the financial year.

6. Social Responsibility

The municipality is further obligated to ensure the availability of social amenities for use by its residents; some of the social services are not part of the powers and functions of the municipality however the municipality facilitates / coordinates the delivery thereof by the relevant authority.

Housing.

The housing backlog is unquantified however looking at the population growth statistics, poverty rates & unemployment rates indications are that the backlog is quite high.

The municipality has not compiled or maintained a credible RDP waiting list and that's unable to reliably quantify and record the need thereof.

In adequate annual allocation from the department of local government & housing as well as development of RDP houses without providing for electricity and sanitation infrastructures.

Application of property rates as per property Rates Act in an area under the control of chiefs and headman remains a challenge and has thus further hampered endeavors to enhance revenue generation.

A process to compile a valuation roll with a view to introducing property rates is underway.

Further engagement with and buy in of traditional leaders on this matter is critical.

Community Facilities and Service points.

The municipality has a total of 2 traffic licensing authorities one of which is not functional due to licensing challenges, 2 Thusong centers, 2 municipal service points at Mogwadi & Morebeng, 3 sports facilities, 2 community libraries and operates 4 mobile libraries, 3 community halls & 4 Taxi ranks

More needs to be done with regards to optimum use and maintenance of the existing facilities while plans are underway to create this facility across the municipal area.

Education Facilities.

There are 114 educational facilities in the area broken down as follows:

- (a) 9 Pre schools 7 of which has access to water while 8 are without access to water 8 have sanitation facilities 1 is without sanitation, 9 have access to energy, 9 are without access to solid waste disposal systems.
- (b) 16 Crèches 8 of which has access to water while 8 are without access to water, 15 have sanitation facilities 1 is without sanitation, 14 have access to energy and 2 without access to energy, 16 are without access to solid waste disposal systems.
- (c) 57 Primary schools 50 of which has access to water while 7 are without access to water, 41 have sanitation facilities 16 is without sanitation, 54 have access to energy and 3 without access to energy, 57 are without access to solid waste disposal systems.
- (d) 32 Secondary schools 31 of which has access to water while 1 is without access to water, 29 have sanitation facilities 3 is without sanitation, 31 have access to energy and 1 without access to energy, 9 are without access to solid waste disposal systems.

The provision of learner support facilities such as laboratories and libraries remains a challenge in many of our schools as well as the proximity of schools in all areas remains a huge challenge.

Health Emergency Services Facilities.

The municipality has within area of jurisdiction 9 health and emergency facilities broken down as follows.

- (a) 7 Clinics, 7 of which has access to water, 7 have sanitation facilities, 7 have access to energy, 2 have access to solid waste disposal systems 5 are without access to solid waste disposal systems.

- (b) 1 Emergency Service Centre, 1 of which has access to water while, 1 has sanitation facilities, 1 has access to energy and 1 is without access to solid waste disposal systems.
- (c) 1 Hospital which has access to water, sanitation & energy but without access to solid waste disposal systems.
- (d) We operate 1 waste disposal landfill.

Challenges include adequate availability of health professionals and proper equipment and proximity of facilities to areas.

Further the health function is no longer a municipal function.

General challenges.

This challenges impacts on us but are not exclusively dependent on us they require the attention of various stakeholders to mitigate.

- (a) High levels of unemployment particularly amongst youth and women which impacts on poverty levels, high economic migration, ability to pay for services & ever increasing indigent households.
- (b) The municipality as an entity has a limited vacant land, majority of land is held by private owners predominantly farmers, traditional authorities in terms of Communal Land Rights Act & Public Works for the state owned land. Further majority of the land in particular farms are under claim through the land restitution programme. This leaves limited land space for residential, communal & business development; this is despite the high demand for middle and high income residential sites as well as business sites which will assist in broadening the revenue base and enhancing our viability.

Conclusion.

The journey ahead of us in our quest to better the quality of life of our communities is certainly daunting however we remain focused and on course for victory, the small achievements we record successively will serve as firm foundation for prosperity.

In successive years previously we have received unfavorable audit opinion from the Auditor General, this was due to multiple problems with our internal controls, systems, policies and procedures and administrative weaknesses resulting from poor managements.

During 2008/2009 the audit opinion remained unfavorable however the matters for emphasis have been reduced substantially, we are of the opinion that we are making steady progress, the key challenge is with regard relates to historic data that we cannot account for.

Going forward we should double our efforts and turn the tight around for the betterment of our residents, building on our success and confronting our weaknesses head on we will thrive collectively.

I once more take this opportunity to thank all concerned and invite you on a journey for societal transformation let us build a stable and sustainable municipality based on ethos of efficiency, accountability, care and collective responsibility.

We have devoted a lot of our energies on unlocking the full economic potential of our area we have pursuit of this objective invested substantial resources in improving our road infrastructure to as a catalyst of economic development of our municipal nodal points.

We have covered a lot of ground in bringing a meaningful change to the lives of our people in line with our vision and mission; however we have equally experienced challenges and setbacks in certain arrears.

As elected representatives of our various communities we should at all times honestly represent the interests of our constituencies and forever remain in touch with our people and in their needs.

As appointed officials we should place our residents at the centre of all our actions and constantly remind ourselves that our mandate centers around the delivery of various municipal services to our clients and all our energies should be directed towards the fulfillment of their interest.

I believe that the report as

I thank you

M.M. MOHALE
MAYOR

The annual report seeks to reflect on how the municipality has executed both its political and administrative mandate to this end we have documented in this report a summary of the performance of the municipality during the 2008/2009 financial year.

The 2008/09 financial year was certainly one of the most turbulent one for our municipality, we have for the year under review recorded a mixed bag of achievements and challenges.

We have generally despite the many hiccups stormed through the rough terrain and uncompromisingly pursued municipal objectives and targets and we can confidently say we have made it nevertheless.

The above does not seek to create an illusion that all was well and that we have fulfilled the desired outcome and impact but rather that we have earnestly employed all the available resources at to ensure provision services to our residents.

This we did despite several serious complexities that faced us including vacancies in critical positions, employee discipline, performance management, budget shortfalls, unplanned major equipment breakdown, constant power supply interruption, water shortage, community unrest and systems failures.

This has been detrimental to our aspiration for Excellency but ironically become a motivating factor to strive for better service delivery to the community of Molemole.

We have equally recorded several milestones including filling of the CFO position, appointment and commencement of several capital infrastructure development projects, sustained LED projects, establishment of the in-house traffic & licensing unit and complete takeover of the function from the relevant provincial department, we have substantially reduced the vacancy rate from over 39% in the previous year to just under 25% and would have done even better cash flow allowing.

We have continued to do well in aspects such as public participation, establishment of institutional structures, inter governmental relations, social development, traffic law enforcement, academic support, capacity development, policy development and reporting.

We need to going forward improve on financial management, employee relations, contract management, performance management, recruitment, assets management, self sustaining poverty relief projects, economic development, information & records management, project management and fleet management.

We are resolute in our intend to maintain a sound administration that is people centered and service oriented and live in the values of human dignity, personal responsibility, accountability, discipline, care, passion and absolute commitment to societal interests.

The following chapters of the report will report on the actual performance of the municipality in chapter 2 we give a summary of municipal performance against each of the 5 local government key performance areas, chapter 3 is devoted to the human capital report how we have handled personnel matters, chapter 4 will reflect the financial matters i.e. the audited financial statements and the draft audit report and chapter 5 will detail departmental performance against IDP, SDBIP & departmental process flow. I can confirm that all our efforts are informed and linked to our vision and mission as stated below.

VISION: "Provision of affordable and sustainable services above RDP standards"

MISSION : "To provide essential, affordable quality services to communities efficiently and effectively in a transparent and accountable manner"

T.S. RASELAYA
ACTING MUNICIPAL MANAGER

1.3 OVERVIEW OF THE MUNICIPALITY

1.3.1. LOCALITY OF THE MUNICIPALITY

Molemole is located about 60km, north of Polokwane. The municipality covers an area of 3, 3477km²%. Molemole municipality forms part of the five municipalities that make up Capricorn District, namely Blouberg Municipality, Aganang Municipality, Lepelle-Nkumpi municipality and Polokwane Municipality

Molemole Municipality's head office is situated in the town of Mogwadi, formerly known as Dendron. Molemole Municipality comprises of 37 settlements which are within 13 wards.

1.3.2. POPULATION DENSITY

a) Statistics

Census 2001

- Molemole total population was 109, 445.
- Household size - 4
- Total number of households – 28 923

Community Survey 2007 stats, SA.

- Total population – 104, 104
- Households size – 6
- Households – 27 889

1.3.3. UNEMPLOYMENT AND INCOME DISTRIBUTION

a) Statistics

Employment status

Employed	17 851
Unemployed	8 561
Not economically Active	26 185
Not applicable	1 303
Total	53 900

Source: community Survey 2007

1.3.4. WATER

a) Statistics

Table shows access water in Molemole

Type of water by source	2001	2007
Piped water	21 563	17 321
Borehole	1 444	4 401
Spring	30	-
Dam/Pool	137	99
Water vendor	4 413	5 301
River/Stream	107	-
Rain water tank	36	-
Other	1 194	174

Total	28 924	27 296
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1.3.5. Energy

- According to census 2001, about 21 590 households has access to electricity and the number increased to 25 577 households in 2007.
- Majority of households in Molemole receive free electricity.

1.3.6. Sanitation

The statistics as depicted by Table10 show a steady decline in the proportion of households having access to sanitation. The number of households having access to sanitation dropped from 8 196 in 2001 to 5 384 in 2007. The decline in the proportion of household having access to sanitation prevails despite decrease in the number of households. The increase in the number of households with no access to sanitation poses a serious health risks. The increased number of pit toilets may result in polluted ground water which may cause health and environment hazards. Overflowing ponds in Mogwadi contaminate ground water and also pose a health risk or both humans and animals. This area has to be declared a go area for both humans and livestock. The municipality may consider establishing a conventional sewer plants.

Table shows access to Sanitation

Types of Sanitation	2001	2007
Flush toilet (connected to sewerage system)	1 946	2 382
Flush toilet (with septic tank)	1 937	2 163
Dry toilet facility	-	54
Pit toilet with ventilation (VIP)	4 313	785
Pit toilet without ventilation	15 186	20 083
Chemical toilet	315	-
Bucket toilet system	153	-
None	5 073	1 829
Total	28 923	27 296

Source: Census 2001 and community survey 2007 (Stats SA)

1.3.7. Refuse Removal

Table 12 indicates the status quo with respect to refuse removal services within Molemole Municipality. The majority of households, about 87% had no access to refuse removal in 2001. However the proportion of households having no access to refuse removal dropped to 85% in 2007(Community Survey, Stats SA). Most households dispose of refuse through inappropriate means such as burning and illegal dumping.

The municipality operates 2 landfills sides, the sides requires upgrade to satisfy the prescribed standard, fencing around the sides requires attention to ensure compliance with environmental health regulations.

An urgent need exist to establish properly planned, standardized and properly managed landfills in the municipality. The declining number of households implies that it will be cheaper to improve the service to fewer households.

Table shows access to refuse removal

Different mechanisms for providing refuse removal	2001	2007
Removed by local authority once a week	2 055	3 860
Removed by local authority less often	183	365
Communal refuse dump	1 430	-

Own refuse dump	23 824	22 675
No rubbish disposal	-	396
Other	-	-
Total	28 925	27 296

Source: census 2001 and community Survey 2007, Stats SA

1.3.8. Housing

Table 13 indicates the various housing arrangements in Molemole. According to census 2001, 25 689 households reside in formal Housing. However, the 2007 community survey indicate that 23 416 households are housed in formal dwellings. The statistics show an increase in the number of household living in informal dwellings/shack, despite a decrease in the total number of households. The number of informal housing increased from 2 251 in 2001 to 3 981 household in 2007.

The reason for change in situation regarding people having access to decent housing can be attributed to high unemployment levels, low income levels, fluctuations in mortality rate, migration resulting in fewer households or alternatively an over or underestimation by STATSSA.

The municipality should facilitate prioritize housing and develop a plan to eradicate informal housing. Definition of formal housing is area that requires further research or collaboration between Stats SA and Molemole Municipality.

Table shows access to decent housing

Types of housing arrangements	2001	2007
Formal	25 689	23 416
Traditional dwelling	986	99
Informal	1 092	444
Other	1 159	3 333
Total	28 926	27 296

Census 2001 and community Survey 2007, stats SA

1.3.9. Health facilities

Table 14 shows that Molemole Municipality is served by one Provincial hospital and seven clinics two of which are mobile clinics. The municipality faces a critical shortage of health facilities. Based on the standards from the Department of Health, 1 hospital needs to be established per 15 000 households unit and 1 clinic per 2 500 units. Considering the existing situation and in relation to the standards, 1 additional Hospital and 5 clinics need to be established in the area. Botlokwa hospital is the only accredited site for the provision of ARV's in the municipality

Table shows access to Health facilities in Molemole Municipality

Government Hospital	Special hospital	Clinics	Mobile	Health Centre
1	-	5	2	-

Source: Department of Health Report, 2006

1.3.10. Educational Facilities – Tertiary

Table indicates the public tertiary institutions located within Capricorn District Municipality. Molemole Municipality does not have a single tertiary institution. The high levels of secondary school drop outs and number of people with no education of less than grade 12 suggest that the municipality has to establish further education Training institutions to cater for those groups of learners.

Table shows access to Public Tertiary institutions in CDM

Local Municipality	Settlement Name	Type of Institution
---------------------------	------------------------	----------------------------

Aganang	None	None
Blouberg	Senwabarwana	Capricorn FET and TC (Senwabarwana Campus)
Lepelle-Nkumpi	Lebowakgomo	Lebowakgomo FET College
Molemole	None	None
Polokwane	Mankweng	University of Limpopo (Main Campus)
	Seshego	Capricorn FET & TC (Seshego Branch)
	Polokwane	Capricorn FET & TC (Polokwane Branch) UNISA (Branch) Pretoria Technikon (Branch) University of Limpopo (Medunsa Branch) Pretoria Technikon (Branch)

Source: Provincial spatial Rationale, 2007.

1.3.11. ECONOMIC ANALYSIS

a) Overview

The economy of Molemole, in line with the national and global economy is slowing down, resulting in job losses. The agricultural sector is the second biggest employer after government sector. The employment statistics for the agricultural sector show that the sector dropped from 7 265 in 2001 to 4 409 in 2007. There has been a steady increase in the number of jobs created in the manufacturing, construction and community social and personal services which is a positive for the local economy. The critical aspects affecting our local economy are amongst others, lack of relevant skills, low levels of education, lack of access to FET Colleges, limited access to higher education and land claims.

Table shows access to Employment numbers per sector.

Sector	2001	2007
Agriculture, Hunting, Forestry and Fishing	7 265	4 409
Mining and quarrying	96	84
Manufacturing	351	1 306
Electricity, gas and water supply	109	105
Construction	726	1 046
Wholesale and retail trade	1 640	1 908
Transport, storage and communication	449	539
Financial, Insurance, real estate and business services	464	1 050
Community, social and personal services	2 793	3 107
Other and not adequately defined	-	1 460
Private households	1 696	-
Unspecified	664	2 835
Not applicable/ Institutions	13 795	36 052
Total	60 048	53 901

Source: Census 2001 and community survey, stats SA, 2007.

CHAPTER 2:

OVERVIEW PERFORMANCE MANGEMENT.

KPA 1: INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICES:

This key performance area focus on services rendered directly to the communities, such as water, sanitation, electricity, solid waste management, environmental management, roads, and housing and community facilities. The council has resolved to accelerate the provision of these services, especially water, sanitation and electricity through financial year.

Water

Groundwater sources are the only source for the single, distant rural communities but have in general, low potential.

The following are identifies as the water constraints in the municipality:

- Bulk water supply not enough for growth of Mokgadi, Morebeng, the identified municipal growth nodal points and surrounding residential areas and villages.
- Bulk water storage not enough for peak flow demands.
- Power outages in pump areas and mechanical faults of pumps.
- Illegal connections/unauthorised yard connections
- Water losses as a results of ageing systems is in the region of 25%
- Water and Sanitation network system requiring upgrade and replacements because of rezoning and densification of the area
- Non finalization of the Water Services Provider Agreement
- Lack of or poor payment rate

Sanitation

Molemole municipality has not made significant inroads as far as the provision of sanitary service is concerned the larger portion of our households as collaborated by the STATSSA figures on sanitation reflects that majority of our people are using pit latrines.

The municipality in conjunction with the Capricorn District Municipality has implemented VIP toilets in areas where pit latrine toilets are employed.

The provision of flush toilets (connected to a sewerage system) has not increased in the past few years this is due to challenges that impares the rollout of this service municipal wide including:

- Ageing and inadequate sewer treatment plants.
- Poor maintenance of the treatment plant
- Inadequate water supply to support large scale migration to conventional sewer reticulation system.
- Inadequate Finacial & human resources to render the service.
- High risk for contamination of underground water sources as a result of extensive use of pit latrine toilets
- Potential outbreak of disease

Electricity

Electricity is generated and distributed by Eskom at a cost to reticulators, within the municipal Eskom is responsible for electricity reticulation (i.e house connection, supply and sale of electricity) in all villages within the municipal areas whilst Molemole Municipality is licensed as an electricity reticulator in the area of Mogwadi & Morebeng.

The municipality is further responsible for payment of the cost for free basic including Eskom licensed areas, there are several backlogs in terms of access to the service either as a result of unplanned development or funding challenges.

Some of the common challenges associated with electricity are:

- Unplanned developments.
- Uninterrupted planning
- Unplanned power outages
- Ageing electricity network infrastructure
- Load shedding impact negatively on the Molemole development and its economy.
- Eskom main feed to Molemole runs at full capacity
- Financial constraints for continuous expansion and upgrading.
- Electrification backlog of

Waste Management

Waste management is a major problem with far reaching implication in terms of ecological impact and of course climatologically threatening the future livelihood of mankind.

Molemole municipality provides waste management services to only Mogwadi and Morebeng, there is no service that is provided in rural areas of municipality.

The following are the constraints experienced in waste management:

- Ageing capital equipment.
- Unavailability of licensed Landfill.
- Refuse removal in rural and semi rural area
- Illegal Dumping

“Service Delivery Backlogs”

Water Backlogs(per month	2008-2009		
	<u>Required</u>	<u>Budgeted</u>	<u>Actual</u>
Backlogs to be eliminated (no household not) Receiving Minimum Standard of service)	6224		
Backlogs to be eliminated (Percentage-HH identified as backlogs/total HH in Municipality)	22%		
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs(Rand 000)			
Total Spending to Eliminate Backlog(Rand 000) New Backlog Created(Rand 000)			
Spending on Maintenance to Ensure No New Backlogs created (Rand 000)			
SANITATION BACKLOGS			
Backlogs to be eliminated (no household not) Receiving Minimum Standard of service)	18614		
Backlogs to be eliminated (Percentage-HH identified as backlogs/total HH in Municipality)	67%		

<p>Spending on Renewal of Existing Infrastructure to Eliminate Backlogs(Rand 000)</p> <p>Total Spending to Eliminate Backlog(Rand 000) New Backlog Created(Rand 000)</p> <p>Spending on Maintenance to Ensure No New Backlogs created (Rand 000)</p> <p>ELECTRICITY BACKLOGS(PER MONTH)</p> <p>Backlogs to be eliminated (no household not) Receiving Minimum Standard of service)</p> <p>Backlogs to be eliminated (Percentage-HH identified as backlogs/total HH in Municipality)</p> <p>Spending on Renewal of Existing Infrastructure to Eliminate Backlogs(Rand 000)</p> <p>Total Spending to Eliminate Backlog(Rand 000) New Backlog Created(Rand 000)</p> <p>Spending on Maintenance to Ensure No New Backlogs created (Rand 000)</p>	<p>868</p> <p>3%</p>		
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KPA 2: INSTITUTIONAL TRANSFORMATION:

The constitutional change that paved the way for a democratic dispensation in South Africa directly impacted on a public sector that is undergoing major structural changes to undo and unlearn some of the aberration of the past. The South African public service is experiencing a paradigm shifts on its attempt to govern effectively and efficiently. This emerging paradigm is marked by:

- the desire to provide high quality services valued by citizens
- increased autonomy from centralized control
- a shift to performance measurement of both individuals and institutions with corresponding towards structures
- the provision of human and technological resources needed to meet performance target

The priority here focuses on the availability and implementation of programmes that can transform the municipality to cope with the ongoing and ever-changing community needs. Institutional transformation is a necessary condition to achieve the strategic objectives of the developmental governance. The key performance indicators under this area are as follows:

- Organizational Design (Organogram that is linked to the organizational strategy)
- Employment Equity issues.
- Skills Development (Institutional Skills Development)
- Integrated Development Planning (Integration of Strategic Frameworks)
- Performance Management System
- Administrative and Institutional Systems and Structures

Further the key priority focuses on the strategies and programmes that transform the municipality to cope with the ongoing and ever-changing community needs as well as being a learning organization. Institutional transformation is necessary condition to achieve the strategic objectives of the developmental governance.

Like in other organs of state the greatest impediment facing municipality is the shortage of skills including professional skills such as engineers, managers and skills technical employees.. To retain the existing skills is also proved to be difficult as people especially young people will always go for greener pastures. Under this key priority the municipality faced the following challenges:

- Appointment as a Water Services Authority Status following the transfer of water services.
- The impending transfer of electricity services to Electricity Restructuring (REDS) resulting in loss in a major revenue source
- Fully fledged Performance Management System
- Succession planning and staff retention
- Management of HIV/Aids
- Limited organogram in relation to transformational mandate

KPA 3: LOCAL ECONOMIC DEVELOPMENT:

The overview includes all activities associated with economic development initiatives. Local Economic Development creates a platform for government private sector and local communities the opportunity to work together to improve the local economy.

As well as activities associated with the promotion of integrated development planning in order to achieve integration and harmonization of service delivery. It highlights the achievements, challenges experienced, expenditure to date and proposed interventions to improve the future performance of the unit.

It also includes activities associated with the management and co-ordination of the spatial planning processes within municipality and provides technical support in respect to spatial planning and land use management and in so doing correcting the apartheid settlement pattern and promoting integrated and sustainable human settlement.

The purpose of this report is to lay a foundation for understanding the local economy and to provide insights into recent trends and help identify likely future trends that will influence Molemole economic growth. Molemole Municipality is composed of two small towns that is Mogwadi & Morebeng which serve as the main hubs for economic development.

Farming is the main thriving sector that contributes immensely to the District, Provincial & National Gross Geographic Product.

Molemole municipality is strategically located to be one of the most competitive agricultural and eco-tourism areas in the Capricorn District. It is situated at the cross roads of important national and provincial roads which emit good access to various points within and outside the municipality.

There is a definite opportunity for Molemole given our propinquity to the neighbouring countries of Botswana & Zimbabwe to benefit from trade deals and development ventures with such countries.

Our climatic condition as well as some of the eco tourist attractions such as tropic of Capricorn landmark and Motumo trading post provides an array of opportunities for the municipality.

The following have been identified as the most important strategic development potential of Molemole Municipality:

- Diverse farming base
- Transport facilities (N1)
- Massive Labour Force & Young population
- Minerals resource (Beneficiation)
- Strategic Location close to the City of Polokwane

In line with development potentials, the following are identified as areas that may accelerate economic opportunities in Molemole municipality:

- Stable regulatory environment
- Safety and security
- Infrastructure investment in bulk water supply, energy reticulation and road infrastructure
- Stable support for the farming community in particular previously disadvantaged farmers

KPA 4: FINANCIAL VIABILITY:

The municipality is currently depending on grants as main source of revenue. The internal source of revenue is from assessment rates, electricity, water, sewer and refuse and other sundry charges. Collection of own revenue is not sufficient enough but with the inclusion of grants the municipality is able to meet its service delivery obligations.

The municipality is presently facing MFMA and GRAP compliance challenges. This is due to lack of knowledgeable staff responsible for financial management. The municipality has advertised vacant essential positions to bridge the gap. The current financial system is also a contributing factor. The service providers with regard to the financial systems will integrate the old system for being GRAP and MFMA compliance in 2009/2010 financial years.

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION:

The primary objective of good governance and public participation in the public sector is to ensure that government deliver services in a way that is equitable, efficient, effective and affordable and sustainable. Democracy requires that citizens should be continuously engaged in governance through interaction with those who makes decision. A key component of the quality of services is the extent to which it achieves the purpose for which it is intended or more specifically, meet the requirements of those who are intended to benefit from it.

During the year under review we have invested substantial resources to deepen public participation and ensuring that the outcomes thereof are meaningful, to this end several capacity development initiatives targeted at ward committees including on areas such as policy and bylaw development, project management and powers and functions of a municipality.

We have gradually begun to observe, instill and understand the role of the audit and risks functions in relation to the betterment of institutional practices and systems for the benefit of our communities and this has injected an impetus in our drive to align our systems to meet acceptable standards.

This key priority focuses primarily on the development and implementation of the systems and procedures that will ensure that the municipality promotes good governance and public participation in terms of the section 152 of the Constitution (108 of 1994).

The core objective of this key performance area is to mobilize and empower local communities to take control of the process of social transformation. The most key challenges facing municipality under this key priority area includes:

- Lack of municipal wide communication strategy
- Lack of service delivery improvement program (Alternative service delivery model)
- Lack of country wide service level standard to serve as a common unit of measurement
- Maximize the impact of Corporate Governance committees (Audit Committee, Performance Audit Committee and Oversight Committee)
- Strengthening of Sector participation & inter government relations at a local level
- Inadequate council systems that encourage public participation, observation and oversight.
- Leveraging service benefits from other spheres of governance & sectors for the benefit of our community.
- Strengthening internal audit and risk management unit

KPA: CROSS-CUTTING: SECTOR SUPPORT AND OUTREACH PROGRAMMES:

A Sports, Arts and Culture.

Molemole municipality revived the recreational council which coordinated the activities around recreations. The municipality didn't participate in the usual Maphungubwe programmes because it was suspended at the provincial level. We continued with the usual mass participation programme wherein we had two hubs namely Ramokgopa stadium and Mohodi sports centre. These two hubs are having coordinators who coordinate activities of the hub.

B Health and HIV Aids.

The municipality has activities around the HIV/AIDS which are coordinated by the home-based care centres and the dropping centres. The municipality has presently accommodated one of the dropping centre in the tennis court at Mogwadi. The centres play a critical role in addressing matters related to HIV/AIDS.

C Special Focus.

The municipality has participated in activities which are focused on the elders, children and the older persons. We have a municipal committee which coordinates issues are the disabled persons. We have contributed to advance the needs of these people but more still needs to be done going forward.

D Education.

The objective of the municipality which is included in the IDP talks about the facilitation for access to educational facilities. We have interacted with a number of the schools in our area to assist them in accessing the facilities. We had schools like Dendron High School performing good in the matric results. Annually the mayor and councilors encourage the schools to perform well and we have visits to the schools especially during

CHAPTER 3:

HUMAN RESOURCES AND ORGANIZATIONAL MANAGEMENT.

3.1 Background.

Human resources has for the year under review been leveraged as one of the key functions that drives our ability to efficiently discharge our legislative mandate as a sphere of government and consequently the level and standard of service that is expected of the municipality by our clients.

To this end Human Resources was classified as a support function and an enabler that facilitates the achievement of the municipality's strategic objectives, to this end our human capital approach was to amongst others instill in our employees a culture of societal responsibility and a client / people centered service provisioning.

Human Capital affairs is located within the Corporate Services Department and championed by Divisional Head Human Resources with support from several specialized personnel responsible for core components of Human Resources Provisioning; Employee Relations; Personnel Management; Organizational Development & Training; Employee Wellness Programme; Occupational Health & Safety, Payroll Administration and Performance Management.

The municipality's human resources framework is impacted by various national legislation & strategy, provincial government guidelines & strategy, the South African Local Government Bargaining Council as well as municipal council policy directive and strategy.

3.2 Human Capital Distribution on Structure.

For the year under review 214 positions have been established on the organizational structure from which 185 posts are funded whilst 139 posts were filled and 46 funded posts vacant.

The staff establishment table 1 & 2 below reflects that the municipality has maintained a 75% total post occupancy rate and a vacancy rate of 25%.

The 25% vacancy rate is attributed to amongst others fluctuations in disposable revenue as a result of under recovery of revenue against budget projections, delays in decision making on recruitment and protracted recruitment procedures.

Table.1

Number of Staff per Department					
Department	Funded Posts	Filled Posts	Funded & Vacant Posts	Unfunded	Total Establishment
Municipal Manager' s Office	13	8	5	2	15
Budget &Treasury Office	18	15	3	4	22
Corporate Services	35	26	9	5	40
Community Services	46	29	20	9	55
Planning & Development	7	4	3	3	10
Technical Services	66	6	6	6	72
Total	185	88	46	29	214

Table.2 Summary of Staff Establishment

Occupational Category	Compliment	Filled	Percentage	Vacant	Percentage
Top Management	6	5	83%	1	17%
Senior Management	15	10	67%	5	33%
Professionals, experienced specialist & mid management	17	4	24%	13	76%
Skilled Technical, junior management, supervisors foreman & superintendent	26	17	65%	9	35%
Semi skilled	73	63	86%	10	14%
Unskilled	48	40	83%	8	17%

Total	185	139	75%	46	25%
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3.3 Career Management, Succession & Development Management, Capacity Building & Retention.

As required by the Skills Development Act and Local Government Sector Education and Training Authority (LGSETA) the municipality complied with submission requirements for a Workplace Skills Development Plans (WSP).

The training interventions as contained in the WSP are aligned to the IDP, Scarce Skills Strategy, Strategic Local Government Agenda and the Local Government Key Performance Areas were implemented to ensure capacity development relevant to the municipality core functions within the limited resources.

The Training Committee played a pivotal role in ensuring the training initiatives are well coordinated however the challenge remains on ensuring that the committee becomes fully functional and consistent.

We have engaged ourselves in various capacity development initiatives, our focus for the year was on enhancing our capacity to develop policy framework, financial management, strategic management, operational technical skills in the fields of water, electricity & civil works.

Further we devoted a larger portion of our resources to establish credible capacities within our public participation structures to enable them to discharge their mandate from an informed base to this end we targeted Ward committees, Traditional Councils, Youth structures and Non -Governmental Organizations operating within our municipal jurisdiction.

We have successfully enrolled and supported some of our political office bearers and administrative personnel in programmes that will assist them to attain the requisite competency levels.

Further we have provided on budget for a mayoral bursary fund for allocation to academically and financially deserving learners/students in support of studies at an institution of higher learning in specified fields of need to our municipality, this is in view to create our own supply for the scarce and critical skills required to deliver our mandate.

In pursuant of the above we have in line with our mayoral bursary policy allocated four applicants allocated bursaries for 2008/2009, of the allocated beneficiaries two are continuing students at final year level and 2 are new recruits at 1st year level.

It is an inherent condition of the bursary that a beneficiary will upon completion of study be contracted to the municipality to work back the period of study.

Our budget allocation for the Skills development levy was budgeted at R150 000.00 and the actual expenditure stood at R176 790.00, training was allocated R 618 000.00 on budget and actual expenditure was R 538 056.

During the year under review we participated in LGSETA & SALGA funded competence development programmes on Executive Management Leadership Development Programme offered by the University of Pretoria where we enrolled 4 participants as well as on Certificate Programme in Leadership Management Development for Finance delivered by the WITS Business School of Management wherein we enrolled 3.

We have implemented employed conditional grants such as Municipal Systems Improvement Grants & Financial Management Grant to implement training programmes for ward committees & for Senior & Middle management training in financial management.

We have given opportunities to two interns in the field of financial management to acquire on the job experience and training and that's creating a skills pool from which the municipality will tap from in times of need.

Part of our key challenges in respect of this focus area in particular on succession planning is the lack of detailed succession & retention plans, this is largely attributed to lack of agreement at a floor level as required by our bargaining agreements.

Further the rigid nature of our legislative framework particularly on staff benefits hinders our ability to be competitive with other employers vying for similar skills, further the constrained financial resources disable us from attracting and retaining critical & scarce skills and thus the standard and level of our service.

Personal development plans have been introduced at a senior management level planned for cascading further to other occupational levels in subsequent years.

Table.1

8									
Occupational Category	Males				Females				
	A	C	I	W	A	C	I	W	Total
Top Management	3	0	0	0	0	0	0	0	3
Senior Management	4	0	0	0	1	0	0	0	5
Professionals, experienced specialist & mid management	14	0	0	0	33	0	0	0	47
Skilled Technical, junior management, supervisors foreman & superintendent	0	0	0	0	0	0	0	0	
Semi skilled	0	0	0	0	0	0	0	0	
Unskilled	0	0	0	0	0	0	0	0	
Total	17	0	0	0	34	0	0	0	55

Table.2

SUMMARY OF TRAINING PER DEPARTMENT 2008\2009			
Department	Gender		
	Male	Female	Total
MM	1		1
Major	1	2	3
Budget & Treasury	6	13	19
Corporate Services	5	14	19
Community Services	1	4	5
Planning & Development	1	1	2
Technical	2	0	2
Council	4	5	9
Community	76	54	130

3.4 Recruitment, Selection & Induction.

In the annual report for 2007/ 2008 we reported a 51% increase on the total staff composition in relation to the 2006/2007 figures.

This was exclusively due to new appointments in particular associated with the establishment of a new division in pursuant of fulfilling our legislative mandate as per powers our function of local government.

We can proudly report that we have during 2008/2009 stabilized our appointment rate during the year under review, we commenced the financial year with a staff compliment of 118 employees, we have made 45 new appointments during the financial year thus a 38% increase in the staff compliment bringing our total compliment to 163, refer to **table 1** below.

In terms of **table 1** below categories of unskilled, semi skilled & skilled technical have had most entrances in comparison to the other categories.

We have however experienced a 15% labour turnover in that we had 24 employee terminations during 2008/2009 thus bringing our total staff compliment for the year to 139 filled posts, refer to **table 2** below.

Table 2 reflects that most terminations occur in the unskilled occupational category, this demonstrate that we have done well in stabilizing employee terminations in the higher specialist categories this speak to our ability to retain employees in those categories and improvements in the competitive urge within the labour market.

We must point however that terminations in the Top Management & Senior Management although minimal involves highly specialized areas of Technical Services Management & Risk and Internal Audit Management, these are critical areas that due to skills shortage may poses serious capacity challenges for the municipality.

At the end of the financial year the municipality recorded a 75% post occupancy vacancy rate and a 25% vacancy rate, noticeably the occupational categories of professional, skilled technical & senior management accounts for large spread of vacancies, refer to **table 3** below.

Table.1 Summary of Appointments per Occupational Levels

Occupational Category	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	1	0	0	0	0	0	0	0	1
Professionals, experienced specialist & mid management	1	0	0	0	2	0	0	0	3
Skilled Technical, junior management, supervisors foreman & superintendent	7	0	0	0	4	0	0	0	11
Semi skilled	5	0	0	0	4	0	0	0	9
Unskilled	11	0	0	0	9	0	0	0	20
Total	25	0	0	0	20	0	0	0	45

Table.2 Summary of Terminations / Labour Turnover

Occupational Category	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	0	0	0	0	1	0	0	0	1
Professionals, experienced specialist & mid management	0	0	0	0	1	0	0	0	1
Skilled Technical, junior management, supervisors foreman & superintendent	2	0	0	0	1		0	0	3
Semi skilled	2	0	0	0	0	0	0	0	2
Unskilled	9	0	0	0	7	0	0	0	16
Total	14	0	0	0	10	0	0	0	24

Table.3 Summary of Staff Establishment

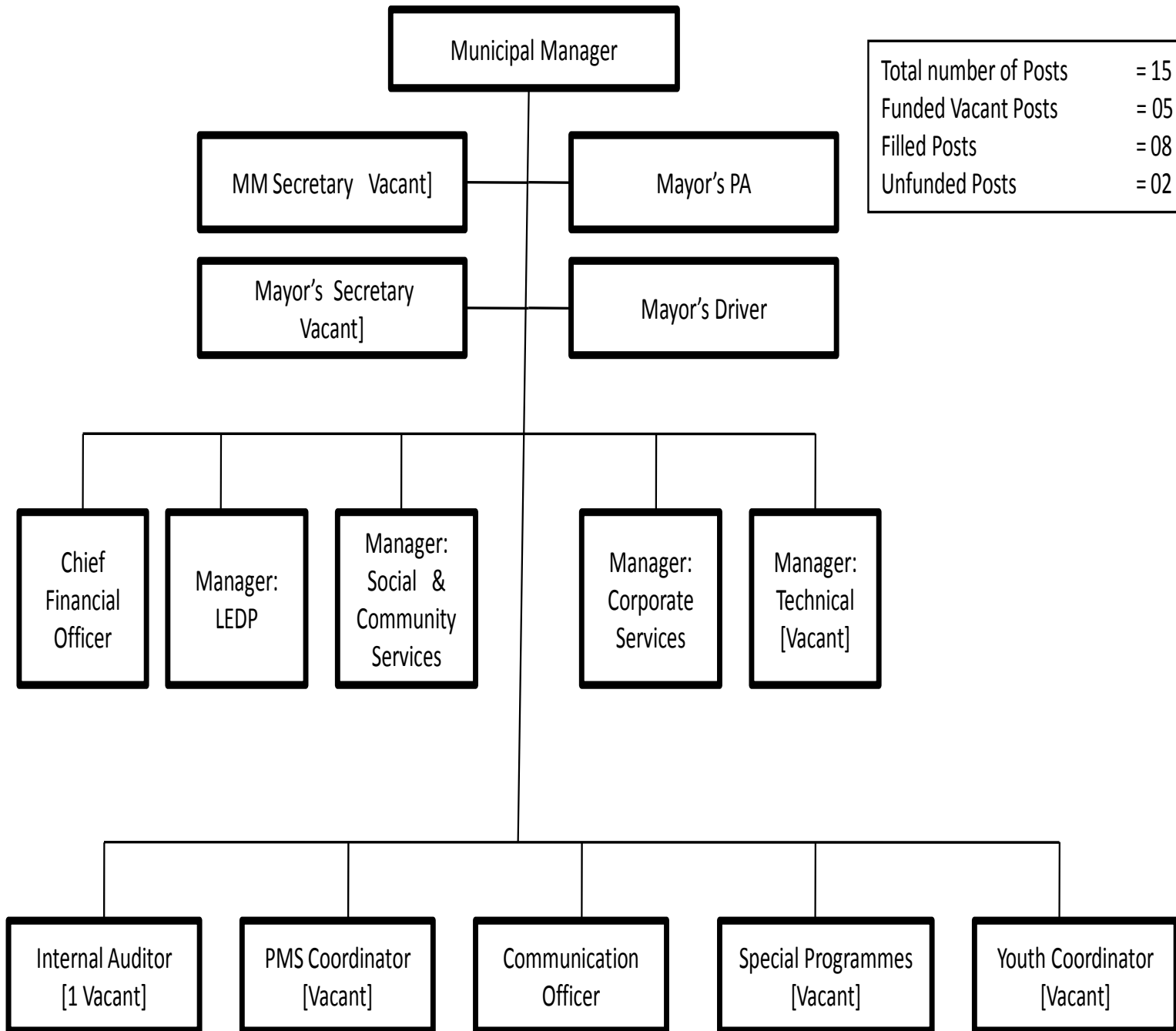
Occupational Category	Compliment	Filled	Percentage	Vacant	Percentage
Top Management	6	5	83%	1	17%
Senior Management	15	10	67%	5	33%
Professionals, experienced specialist & mid management	17	4	24%	13	76%
Skilled Technical, junior management, supervisors foreman & superintendent	26	17	65%	9	35%
Semi skilled	73	63	86%	10	14%
Unskilled	48	40	83%	8	17%
Total	185	139	75%	46	25%

Table 4 Labour Turnover per Department

Department	Appointments			Terminations		
	M	F	Total	M	F	Total
Municipal Manager's Office	0	0	0	0	1	1
Budget & Treasury Office	0	1	1	0	1	1

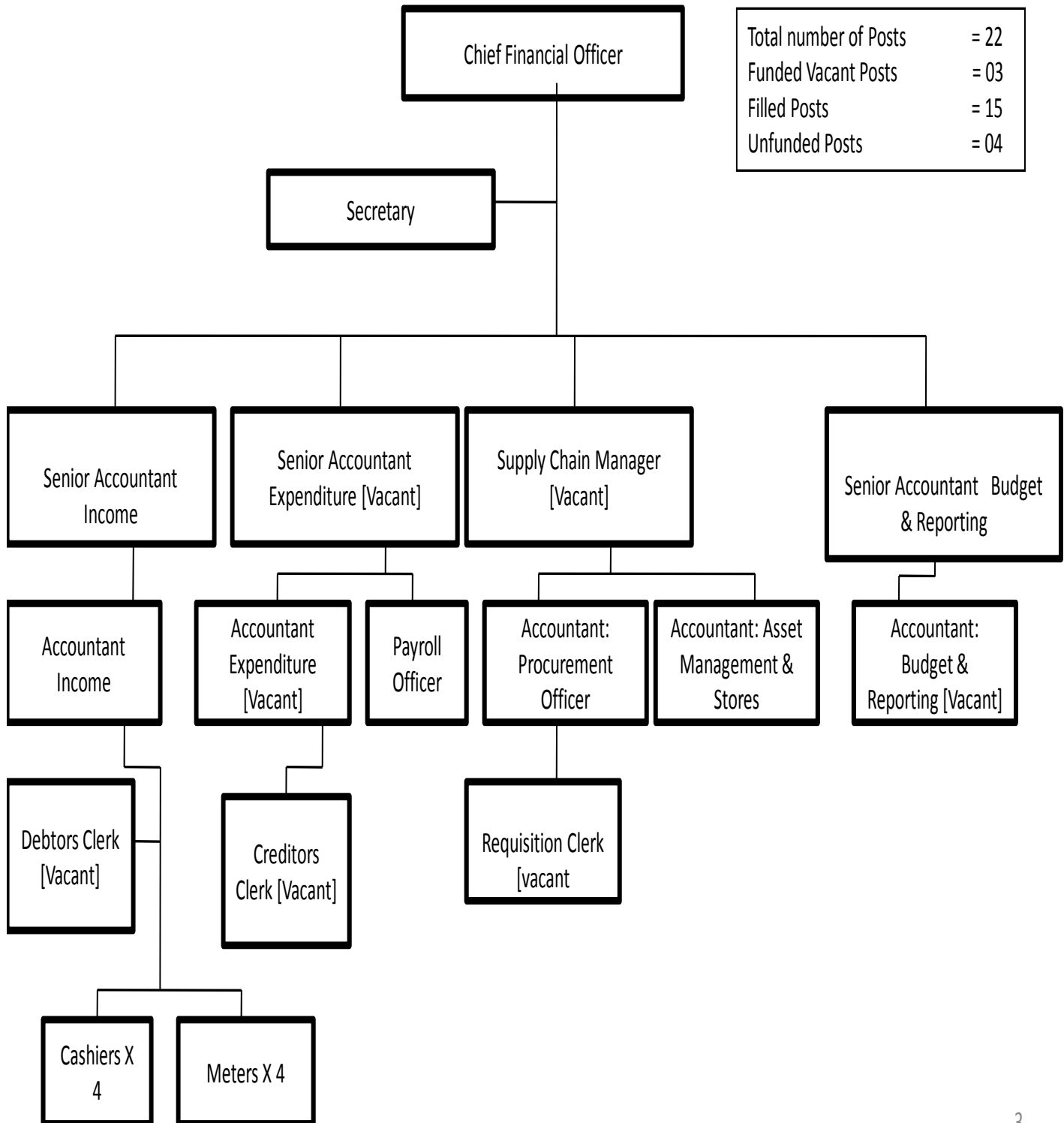
Corporate Services	1	0	1	0	1	1
Community Services	11	10	21	4	0	4
Planning & Development	0	0	0	0	0	0
Technical Services	13	9	22	10	7	17
Total	25	20	45	14	10	24

Municipal Manager



Total number of Posts	= 15
Funded Vacant Posts	= 05
Filled Posts	= 08
Unfunded Posts	= 02

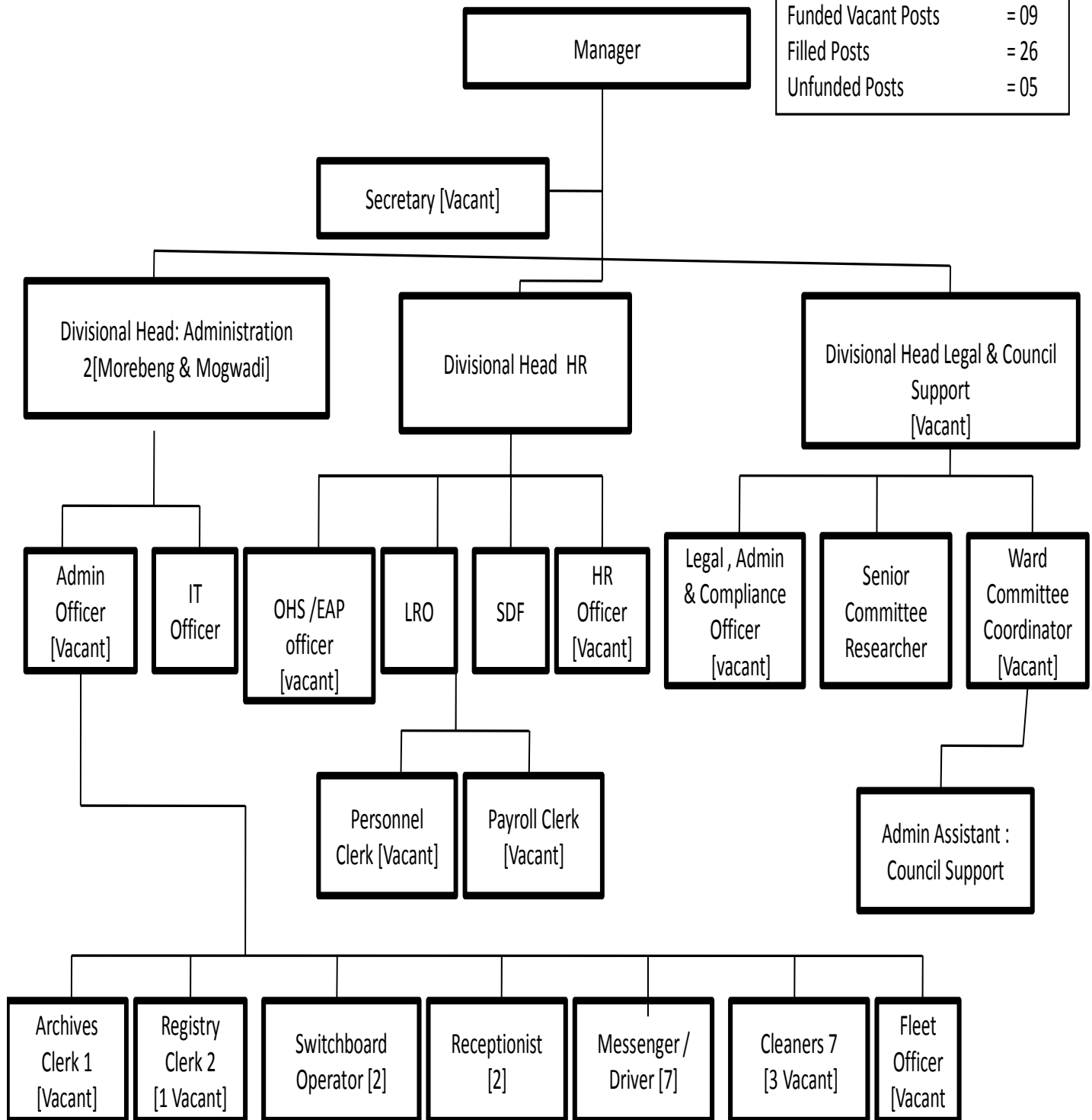
Budget & Treasury



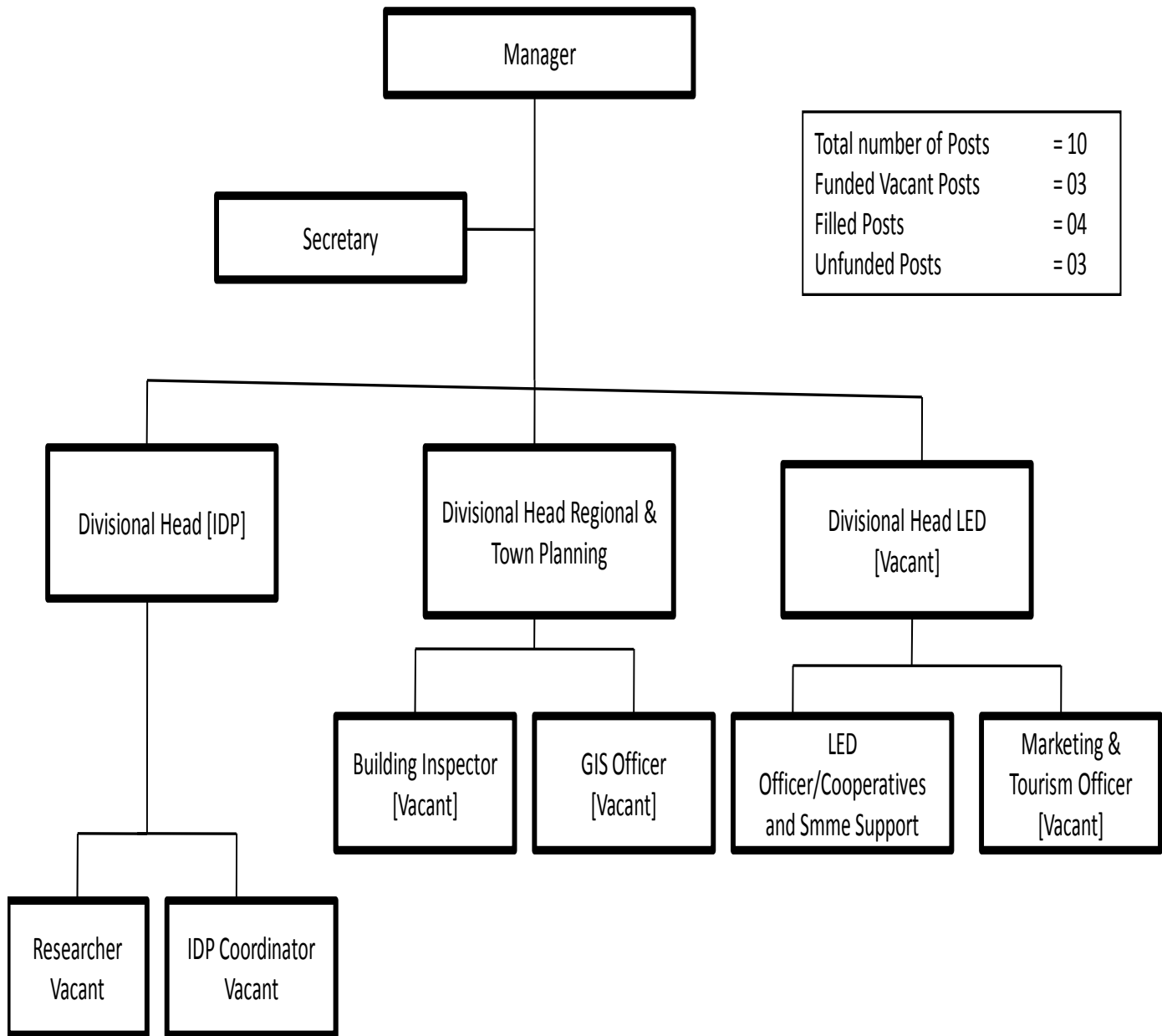
Total number of Posts	= 22
Funded Vacant Posts	= 03
Filled Posts	= 15
Unfunded Posts	= 04

Corporate Services

Total number of Posts	= 40
Funded Vacant Posts	= 09
Filled Posts	= 26
Unfunded Posts	= 05

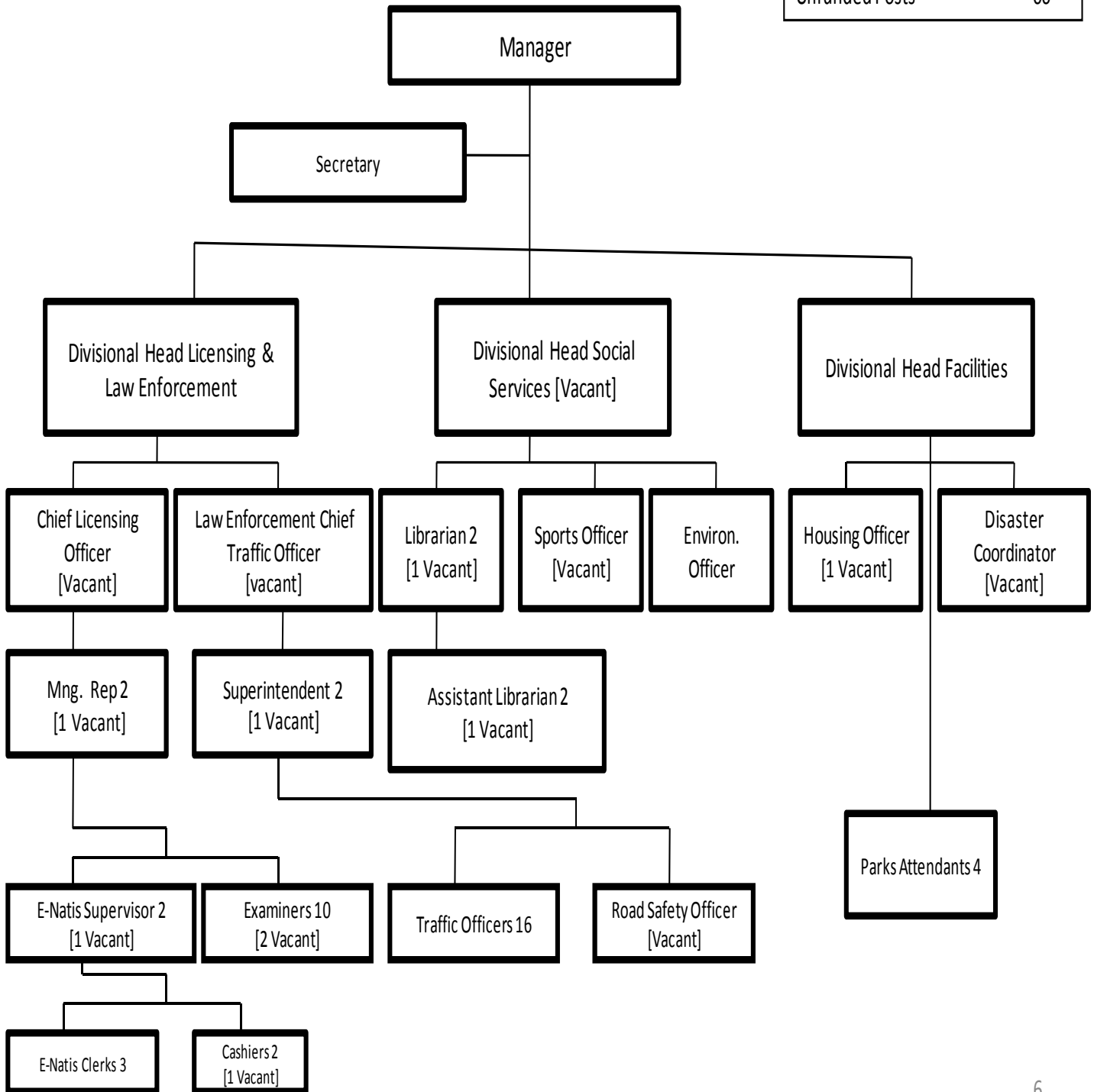


Planning & Economic Development



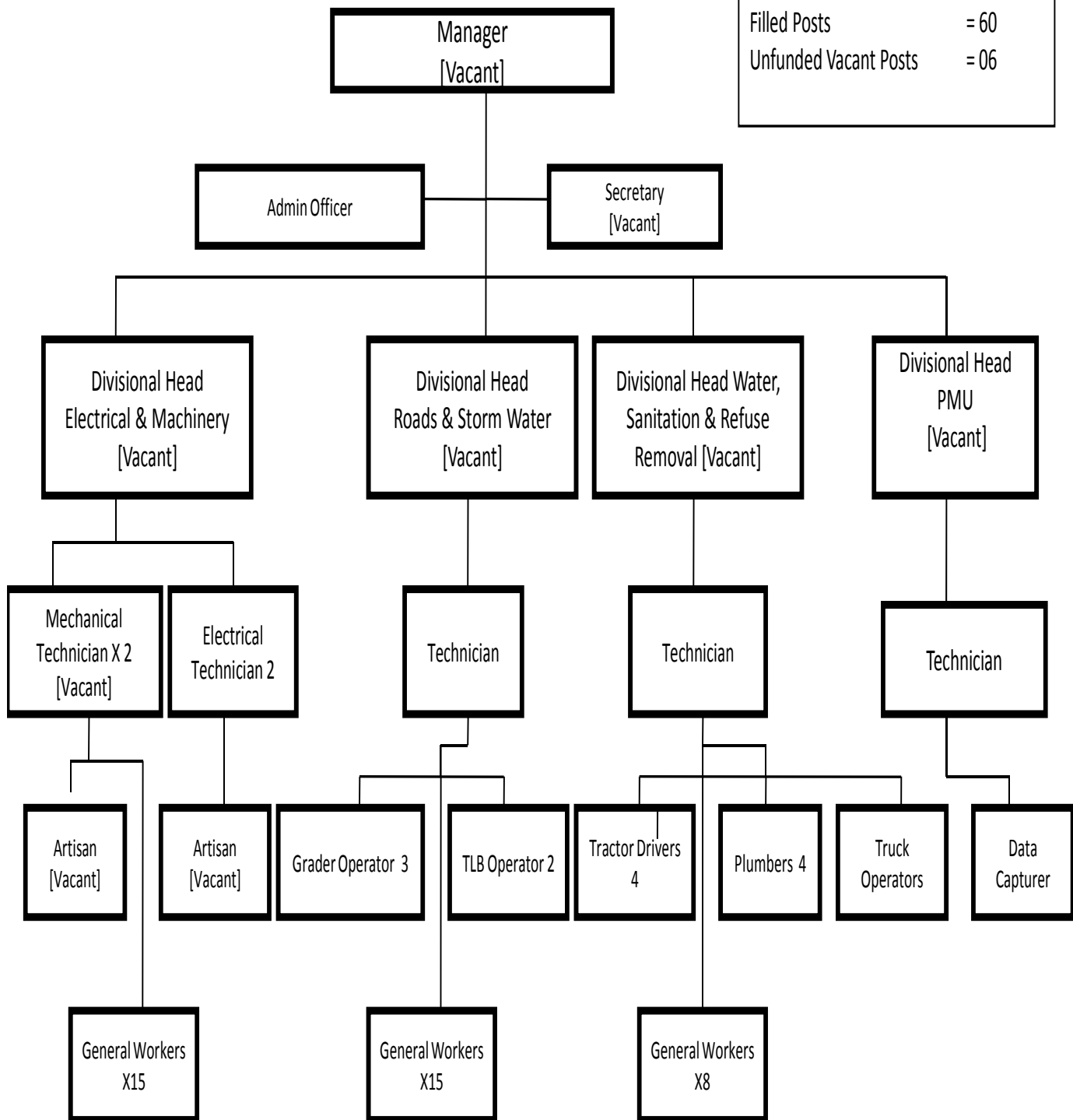
Community Services

Total number of Posts	= 55
Funded Vacant Posts	= 20
Filled Posts	= 29
Unfunded Posts	= 06



Technical Services

Total number of Posts	= 71
Funded Vacant Posts	= 6
Filled Posts	= 60
Unfunded Vacant Posts	= 06



20082009

7

3.5 EMPLOYMENT EQUITY

The municipality is required by law to take active steps to address past imbalances including workplace imbalances; this requires that we fulfill our obligation with regards to workplace redress laws including Employment Equity and related legislations and regulations.

We can report that we have in accordance with the employment equity regulations prepared and reported on employment equity.

We however still have areas that require urgent attention including but not limited the adoption of EE plan, alignment o HR policies & systems to the objective of Employment Equity, recruitment of skilled personnel from designated groups in particular women and people with disabilities.

Further a milestone for the financial year is the completion of a draft EE plan which awaits consultation and approval by various stakeholders.

Generally as reflected in the workforce profile **table 1** below the demographic representation of women and disabled persons is under represented, women overall accounts for 37% whilst disabled persons are at 1%, this requires that we work hard in the years to come to ensure equitable representation in the workforce across occupational categories & levels, races & genders.

Table.2

Table.2		Workforce Profile														
Occupational Levels		Summary of Demographic Representation per % Overall											Foreign National		TOTAL	
		Male					Female									
Occupational Category		Males					Females									
		A	C	I	W		A	C	I	W		Male	Female			
Top management		4	3%	0	0%	0%	1	0%	0	1%	0	0%	0%	0%	5	
Senior management		7	5%	0	0%	0%	3	0%	0	2%	0	0%	0%	0%	10	
Professionals and experienced specialist & mid management		3		0	0		1		0	0		0	0		4	
Skilled technical and foreman			2%		0%	0%		0%		1%		0%		0%		
Skilled Technical junior management, supervisors foreman & superintendent		8		0	0		7		0	0		2	0	0	17	
Semi skilled and discretionary decision making		35	6%	0	0%	0%	27	0%	0	5%	0	0%	0%	1%	63	
Unskilled		29	21%	0	0%	0%	11	0%	0	8%	0	0%	0%	0%	40	
Total			62%		0%	0%		1%		36%		0%		1%		
TOTAL PERMANENT		86		0	0	1	50		0	0		2	0	0	139	

Table.3

Summary of Demographic Representation per % within the Occupational Category										TOTAL
Occupational Category	A	C	I	W	A	C	I	W		
Top Management	80%	0%	0%	0%	20%	0%	0%	0%		100%
Senior Management	70%	0%	0%	0%	30%	0%	0%	0%		100%
Professionals, experienced specialist & mid management	75%	0%	0%	0%	25%	0%	0%	0%		100%
Skilled Technical, junior management, supervisors foreman & superintendent	47%	0%	0%	0%	41%	0%	0%	12%		100%
Semi skilled	56%	0%	0%	1%	43%	0%	0%	0%		100%
Unskilled	73%	0%	0%	0%	27%	0%	0%	0%		100%

WORKFORCE PROFILE

3.8. EMPLOYEE BENEFITS REPORT

Several municipal employees benefited from and participated in various benefits schemes that the municipality in accordance with the applicable SALGBC collective agreements participates in. Beneath is a breakdown of scheme\ fund participation.

Pension benefits.

Name of Fund	Number Of Members	Total not receiving pension benefit.
MCPF	23	4
MEPF	47	
MGF	60	
NFMW	2	
SALA	2	
SNPF	24	
	158	

Medical Benefits

Name of Fund	Number Of Members	Total not receiving medical benefit.
Bonitas	33	99
LA Health	4	
Hosmed	6	
Key Health	14	
SAMWUMED	11	
Totals	65	

3.9. SALARY AND PAYROLL ADMINISTRATION UNIT

A. Accurate Payroll

Two (2) payroll systems utilized are Venus and Payday software for Molemole municipality transferred personnel respectively. All councilors and Employees were successfully paid throughout the year due to internal challenges, which were rectified at later stages Temporary employees were successfully paid on the last day of each month.

Classification	Work force	Electronic Transfer	Manual Payments	System used
Permanent & Long Term Contract Employees	132	132	0	Payday & Venus

Councillors	25	23	0	Payday & Venus
Temporary	7	7	0	Payday & Venus
Total Payroll	164	149	0	Payday & Venus
Total Transfer	164	162	0	Payday & Venus

Third Parties

Deductions from salaries are done on pay day and paid over to the relevant recipient on or before 07th of the next month.

Payments are done through cheque & electronic transfer payments into the beneficiary's designated bank account and payment schedules forwarded to beneficiaries for reconciliation.

Employee Related costs, Arrears (outstanding Monies) owed to the municipality by staff/councillors.

Employee Cost Expenditure for the financial years of 2006/2007, 2007/2008 & 2008/2009									
Financial Year	2006/2007			2007/2008			2008/2009		
Description	Budget	Expenditure	Variance	Budget	Expenditure	Variance	Budget	Expenditure	Variance
Councillor Allowances	R 2,875,610.00	R 5,403,959.00	-R 2,528,349.00	R 4,938,665.00	R 4,935,031.00	R 3,634.00	R 5,256,178.00	R 3,529,183.00	R 1,726,995.00
Salaries & Wages	R 9,770,108.00	R 3,071,585.00	R 6,698,523.00	R 8,320,205.00	R 8,305,439.00	R 14,766.00	R 15,387,385.00	R 15,145,930.00	R 241,455.00
Benefits Contributions	R 2,182,339.00	R 3,821,770.00	-R 1,639,431.00	R 2,079,844.00	R 2,066,497.00	R 13,347.00	R 3,123,025.00	R 2,725,777.00	R 397,248.00
Allowances	R 1,262,460.00	R 1,976,996.00	-R 714,536.00	R 2,343,864.00	R 2,285,615.00	R 58,249.00	R 1,980,390.00	R 1,457,502.00	R 522,888.00
Loans & Advances	R 228,594.00			R 128,252.00			R 20,535.00		
Arrears Owed to Municipality	R 0.00			R 1,775,210.00			R 1,775,210.00		
Total	R 16,090,517.00	R 14,274,310.00	R 1,816,207.00	R 17,682,578.00	R 17,592,582.00	R 89,996.00	R 25,746,978.00	R 22,858,392.00	R 2,888,586.00

3.10. EMPLOYEE RELATIONS.

During the year under review we had few local labour protest actions, the unrest ranged from matters pertaining to conditions of service and benefits.

The matters in question were negotiated and eventually settled and has since stabilized our relations with labour.

We have not had a formal disciplinary proceeding during the year but have had 2 arbitration cases that were not concluded at the end of the financial year.

The municipality has during the year under review put 1 employee (Municipal Manager) under suspension.

We have strengthened our employee relation through continuous formal engagement with labour in the Local Labour Forum & other adhoc structures; this has resulted in entrenching a sense of co governance and cooperation which has made it easy for us to facilitate our deliverables.

Having said the above we must however mention that we could have done much better had the functionality of the Local Labour Forum being at the desired level.

3.11. OCCUPATIONAL HEALTH & SAFETY AND EMPLOYEE WELLNESS

Although we have recorded only 2 occupational injury incidences throughout the year our performance in this regard requires further improvement.

We have during the year developed and adopted an occupational health and safety policy further we have established and provided for a practitioner to facilitate Occupational Health & Safety matters, the position is earmarked for filling during 2009/2010 financial year.

A preliminary in house safety audit has been conducted and its findings have informed our actions with regards to workplace safety equipment, clothing and measures.

We should strive during 2009/2010 to ensure full compliance with the minimum safety standards and to educate the workforce on safety matters and bring the link closer between occupational health & safety and employee wellness.

With regard to wellness our key priority and performance indicator for the year was to develop and adopt a workplace policy and procedure for wellness and related matters.

We have delivered on the IDP objective set for this function that's to create a workplace policy framework, we have council approved employee wellness, occupational health & safety and HIV/AIDS management policies.

The framework is in place and should assist in seamlessly facilitating the rollout of the programme and minimize the litigation and or confidence risks associated unguided implementation of programmes of this magnitude.

Disclosures Concerning Councilors, Directors, and Senior Officials for 1 July 2008 – 30 June 2009

Description	Mayor	Speaker	Chief Whip	Municipal Manager	Chief Financial Officer	Corporate service manager	Community services Manager	Technical Services Manager	LED Manager
Salaries & Wages									
Normal	262706	214958	201523	578 750	70 667	400 644	400 240	194 681	400 240
Overtime	0	0	0	0	0	0	0	0	0
Contributions									
Pensions	0		0	0	0	0	0	0	0
Medical Aid	0		0	0	0	0	0	0	0
Other	1584	1584	1584	0	0	0	29 085	22 580	30 617
Allowances									
Motor Car	121420	97138	91085	120 000	36 000	146 135	166 411	49 500	99 000

INFORMATION OF CONDITIONAL GRANTS

Grant Details		Amount received and spent each year			
		1 July 2007-1 June 2008		1 July 2008 – 30 June 2009	
Grant name, purpose	Organ of the state				
MSIG	DPLG	734 000.00	4 680.00	735 000.00	1 110 244.00
MIG	DPLG	7 482 591	4 538 596	6 378 086.00	14 508 591.00
FMG	National Treasury	500 000.00	13 333.00	500 000.00	1 009 666.00
Equitable share	National Treasury	26 635 731.00	26 635 731.00	34 346 448.00	34 346 448.00
MPRA funding	DLGH	0	0	500 000.00	500 000

Name of Grants	Name of organ of state or municipal entity	Total Receipts for the Year	Total Expenditure for the Year	Delay \ withheld	Gazette amount Municipal year	Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		Total	Total	Total	Total		Yes / No	
Equitable Share	DPLG	26 635 721	26 635 721		26 635 000	None	Not Applicable	None
Financial Management Grant <i>PMU</i> Municipal Systems Improvement <i>IMMIS</i> MIG Grants Land Development Objectives Grant DWAf water function	National Treasury	500 000	13 333		500 000	None	Yes	None
	DPLG	734 000	4 680		734 000	None	Yes	None
	DPLG	7 482 591	4 538 956		6 991 000	None	Yes	None
						None	Yes	None
						None	Yes	None
	National Treasury							
		35 352 312	31 192 690	-	34 860 000			

MOLEMOLE LOCAL MUNICIPALITY



**ANNUAL FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2009**

APPROVAL AND CERTIFICATION

I am responsible for the preparation of these annual financial statements, which are set out on pages 2 to 35, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 21 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

T S RASELAYA
ACTING MUNICIPAL MANAGER

DATE

STATEMENT OF FINACIAL POSITIONS

		2009	2008
		R	R
NET ASSETS & LIABILITIES			
Net Assets		51 599 383	46 451 212
Government grant reserve	2	32 666 680	29 108 237
Donations and public contribution reserves	2	1 291 176	1 291 176
Accumulated surplus/(deficit)		17 641 527	16 051 799
Non-current liabilities			
Long Term Liabilities	3	112 000	112 000
Current liabilities		16 927 168	10 596 459
Consumer deposits	4	418 583	408 036
Bank overdraft	13	4 630 653	-
Trade and other payables	5	10 296 996	6 054 009
Unspent conditional grants and receipts	6	1 580 936	4 134 415
Current portion of long term liabilities	3	-	-
Total Net Assets and Liabilities		68 638 551	57 159 671
ASSETS			
Non-current assets		46 609 847	46 453 346
Property, plant & equipment	7	46 585 274	46 448 098
Investments	8	311	311
Non-current receivables	9	24 262	4 937
Current assets		22 027 491	11 081 570
Inventory	10	29 248	21 748
Short-term investments	8	14 678	1 025 517
Consumer debtors	11	10 715 560	3 807 679
Other receivables	12	6 081 135	1 547 657
Current portion of long-term receivables	9	-	122 411
MIG projects - overspent	6	5 186 870	
Cash and cash equivalents	13	-	4 556 558
Total Assets		68 637 337	57 534 916

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2009 R	2008 R
REVENUE			
Property rates	14	1 463 306	1 443 679
Service charges	15	3 901 283	3 850 306
Rental of facilities and equipment		181 185	106 217
Investment Revenue – external investments	18	52 422	69 951
Interest earned – outstanding debtors		654 516	448 043
Fines, licenses and permits		3 377 190	3 047 922
Government grants and subsidies received – operating	16	36 466 358	26 860 621
Government grants and subsidies received - capital	16	9 321 721	5 814 022
Public contributions, donated and contributed property, plant and equipment	17	-	-
Other revenue	19	5 168 808	896 428
Total Revenue		60 586 787	42 537 189
EXPENDITURE			
Employee related costs	20	19 329 208	13 516 534
Remuneration of councilors	21	3 523 183	4 076 049
Bad debts		-	-
Depreciation		4 407 560	3 446 818
Repairs and maintenance		4 462 854	1 296 161
Finance cost	22	-	523
Bulk purchases	23	2 248 432	2 282 531
General expenses	24	20 567 559	12 068 277
Total Expenditure		54 538 796	36 686 893
NET SURPLUS/(DEFICIT) FOR THE YEAR		6 047 991	5 850 296

CHANGES IN NET ASSETS

	Pre Gamap Reserves & Funds	Government Grant Reserve	Donation & Public Contribution Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R
2008					
Balance at 1 July 2008	-	-	-	-	-
Correction of error	-	-	-	-	-
Restated balance	-	24 818 632	1 241 435	539 406	539 406
Net surplus for the year				4 575 230	4 575 230
Appropriations					-
Property, plant and equipment purchased					-
Capital grants used to purchase PPE		2 994 379	186 250	(3 180 629)	-
Donated/contributed PPE					-
Asset disposals					-
Offsetting of depreciation		(1 524 417)	(136 509)	1 660 926	-
Balance at 30 June 2008	-	26 288 594	1 291 176	17 971 621	45 551 391
2009					
Correction of error					-
Restated balance	-	26 288 594	1 291 176	17 971 621	45 551 391
Net surplus for the year				6 047 991	6 047 991
Appropriations					-
Property, plant and equipment purchased					-
Capital grants used to purchase PPE		6 378 086		(6 378 086)	-
Donated/contributed PPE			-	-	-
Asset disposals					-
Offsetting of depreciation		-	-	-	-
Balance at 30 June 2009	-	32 666 680	1 291 176	17 641 527	51 599 383

CASHFLOW STATEMENT

	Note	2009 R	2008 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		59 879 849	44 843 041
Cash paid to suppliers and employees		(54 538 796)	(33 322 527)
Cash generated from operations	26	5 341 053	11 520 514
Interest received		706 938	69 951
Interest paid		-	(523)
NET CASH FROM OPERATING ACTIVITIES		6 047 991	11 589 942
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(4 540 636)	(6 278 161)
Decrease in loans and receivables		103 086	106 949
(Increase)/decrease in investments		1 010 839	(70 666)
NET CASH FROM INVESTING ACTIVITIES		(3 426 711)	(6 241 878)
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		-	(6 076)
NET CASH FROM FINANCING ACTIVITIES		-	(6 076)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2 621 280	5 341 988
Cash and cash equivalents at the beginning of the year		4 556 558	785 430)
Cash and cash equivalents at the end of the year		7 177 838	4 556 558

NOTES:1 ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

1.1 BASIS OF PRESENTATION

The financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognised when they occur and are recorded in the financial statements within the period to which they relate.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notices 991 and 992 of 2005.

GRAP 1: Presentation of financial statements.

GRAP 2: Cash flow statements.

GRAP 3: Accounting policies, changes in accounting estimates and errors.

GAMAP 4: Effects of changes in foreign exchange rates.

GAMAP 6: Consolidated financial statements and accounting for controlled entities.

GAMAP 9: Revenue.

GAMAP 7: Accounting for investments in associates.

GAMAP 8: Financial reporting of interests in joint ventures.

GAMAP 12: Inventories.

GAMAP 17: Property, plant and equipment.

GAMAP 19: Provisions, contingent liabilities and contingent assets.

GAMAP 6, 7 and 8 have been complied with to the extent that the requirements in these standards related to the municipality's separate financial statements.

GAMAP, GRAP and GAAP standards are fundamentally different to the fund accounting policies adopted in previous financial years. Comparative amounts have been restated retrospectively to the extent possible. The effect of the change in accounting policy arising from the implementation of GAMAP, GRAP and GAAP is set out in Note 25.

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above-mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual statements.

These accounting policies are consistent with those of the previous financial year.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a standard of GAMAP or GRAP.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand and are rounded to the nearest Rand.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.4 RESERVES

a) Government Grant Reserve

When items of property, plant and equipment are purchased from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit).

The purpose of this reserve is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation expenses that will be incurred over the estimated useful lives of the items of property, plant and equipment funded from government grants.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grants Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from government grants is disposed of, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

b) Donations and Public Contributions Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

The purpose of this reserve is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from donations and public contributions is disposed of, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/(deficit).

1.5 PROPERTY, PLANT & EQUIPMENT

An item of property, plant and equipment which qualifies for recognition as an asset shall initially be measured at cost. Property, plant and equipment is stated at historical cost, less accumulated depreciation and impairment losses. Such assets are financed either by external loans, capital replacement reserve, government grants and contributions and donations.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use.

Any trade discounts and rebates are deducted in arriving at the purchase price.

1.5 PROPERTY, PLANT & EQUIPMENT

Directly attributable costs include the following:

Cost of site preparation.

Initial delivery and handling costs.

Installation cost.

Professional fees.

Estimated cost of dismantling the asset.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed.

Where an item of property, plant and equipment is acquired at no cost, it is initially recognised at its fair value as at the date of acquisition.

Incomplete construction work is stated at historical cost and depreciated only when the asset is commissioned into use, and are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Residual value

The residual value of an asset is determined as the estimate amount that could currently be obtained from the disposal of the asset. The residual values of assets are reviewed at each financial year end.

Depreciation

Depreciation is calculated at historical cost, using the straight-line method over the useful lives of the asset. Assets will be depreciated according to their annual depreciation rates based on the following estimated asset lives:

<u>Infrastructure Assets</u>	<u>Years</u>
Roads, pavements, bridges and storm water	30
10-30	
Water reservoirs and reticulation	20-30
15-20	
Electricity reticulation	30
15-30	
Sewerage purification and reticulation	20
15-20	
Street lighting	25
20-25	

Community Assets

Parks and gardens	30
Sport fields	20
Community halls	30
Libraries	30
Recreation facilities	20
Cemeteries	30

1.5 PROPERTY, PLANT & EQUIPMENT (CONT)

Other Assets

Motor vehicles 4-7	5
Plant and equipment 2-15	5
Furniture & fittings	7
IT equipment 3-5	3
Office equipment 3-7	3-7
Specialised vehicles 15-20	10

Land is not depreciated as it is regarded as having an infinite life.

The useful life or depreciation method for items of property, plant and equipment that have been recognised was not reviewed as permitted in terms of Gazette 30013 of 29 June 2007.

Impairment

The testing for and impairing of any items of property, plant and equipment were not accounted for as permitted in terms of Gazette 30013 of 29 June 2007

Heritage assets

These are assets that are defined as culturally significant resources and are not depreciated as they are regarded as having an infinite life. However, if improvements to heritage assets are conducted and registered as sub-assets and the useful life of the improvements can be determined, the depreciation charge of the relevant property, plant and equipment category is used for the depreciation of the sub-asset which was capitalised against the heritage asset.

Disposal of property, plant and equipment

• The book values of assets are written off on disposal.

• The difference between the net book value of assets (cost less accumulated depreciation) and the sales proceeds is reflected as a gain or loss in the Statement of Financial Performance.

1.6 FINANCIAL INSTRUMENTS

There are four categories of financial instruments: fair value through profit or loss (which includes trading), loans and receivables, held-to-maturity and available for sale. All financial assets that are within the scope of IAS 39 are classified into one of the four categories.

Financial instruments include cash and bank balance, investments, trade receivables and borrowings. The municipality classifies its financial assets as loans and receivables. Financial instruments are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are included in current assets, except for maturities in excess of 12 months. These are classified as non-current assets.

Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

Loans and receivables are recognised initially at cost which represents fair value. After initial recognition financial assets are measured at amortised cost using the effective interest rate.

1.6 FINANCIAL INSTRUMENTS

Accounts receivable

Trade and other receivables are recognised initially at cost which represents fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables.

When an under recovery occurs during the year an additional contribution for impairment is made from the accumulated surplus at year end.

Bad debts are written off during the year in which they are identified as irrecoverable.

Financial liabilities

Financial liabilities are recognised initially at cost which represents fair value. After initial recognition financial liabilities are measured at amortised cost using the effective interest rate.

Gains and losses

Gains and losses arising from changes in financial assets or financial liabilities at amortised cost are recognised in profit and loss when the financial asset or liability is derecognised or impaired through the amortisation process.

Investments held-to-maturity

Subsequent to initial recognition, held-to-maturity assets are measured at amortised cost calculated using the effective interest method.

Investments which include listed government bonds, unlisted municipal bonds, fixed deposits and short term deposits invested in registered banks are stated at cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss and this is recognised as an expense in the period that the impairment is identified.

Surplus funds are invested in terms of Council's Investment Policy. Investments are only made with financial institutions registered in terms of the Deposit Taking Institutions Act of 1990 with an A1 or similar rating institution for safe investment purposes.

The investment period should be such that it will not be necessary to borrow funds against the investments at a penalty interest rate to meet commitments.

Leases

Property, plant and equipment subjected to finance lease agreements are capitalised at their cost equivalent and the corresponding liabilities are raised.

The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life.

Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease payments are recognised as an expense on a straight-line basis over the lease period.

Operating lease payments or receipts are recognised on the basis of the actual cash inflows and outflows as per the lease contract as permitted in terms of Gazette 30013 of 29 June 2007.

1.7 INVENTORY

The cost of inventories comprises of all costs of purchase, costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Consumable stores, raw materials, work in progress, unused water, and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities.

Redundant and slow-moving stock are identified and written down with regard to their estimated economic or realisable values and sold by public auction. Consumables are written down with regard to age, condition and utility.

The process to identify immovable capital assets as inventory/stock are not finalised yet and were accounted for in terms of GAMAP 17 as permitted in terms of Gazette 30013 of 29 June 2007.

1.8 TRADE CREDITORS

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade creditors are recognise initially at cost price as permitted in terms of Gazette 30013 of 29 June 2007.

1.9 REVENUE RECOGNITION

Revenue shall be measured at the fair value of the consideration received or receivable. No settlement discount is applicable.

Rendering of service

When the outcome of a transaction can be estimated reliably relating to the rendering of a service, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the reporting date.

The outcome of the transaction can be measured reliably when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or services potential associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the reporting date can be measured reliably; and
- The cost incurred for the transaction and the cost to complete the transaction can be measured reliably.

This principle also applies to tariffs or charges.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses that are recoverable.

Sale of goods

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

- The municipality has transferred to the purchaser the significant risks and rewards of ownership of goods;
- The municipality retains neither continuing managerial involvement to the degree associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

1.9 REVENUE RECOGNITION (CONT)

Revenue from rates including collection charges and penalty interest, shall be recognised when all the following conditions have been satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- There has been compliance with the relevant legal requirements.

The Municipality uses a differentiated site value assessment rate system. According to this assessment rates are levied on the land value of properties and rebates are granted according to the usage of a particular property.

Rebates are respectively granted, to owners of land on which not more than two dwelling units are erected provided that such dwelling units are solely used for residential purposes. Additional relief is granted to needy, aged and/or disabled owners, based on income.

Assessment rates income is recognised once a rates account has been issued to ratepayers. Adjustments or interim rates are recognised once the municipal valuer has valued the change to properties.

Service charges

Flat rate service charges and consumption-based service charges shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumptions are made monthly when meter readings have not been performed and are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read.

Revenue from the sale of electricity prepaid meter credit is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Fines

Revenue from the issuing of fines is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Revenue from fines is recognised when payment is received and the revenue from the issuing of summonses is recognised when collected.

1.9 REVENUE RECOGNITION (CONT)

Government Grants

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Government grants are recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Other grants and donations received

Other grants and donations shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment are brought into use.

Revenue from public contributions is recognised when all conditions have been met or where the contribution to property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Where public contributions have been received but the conditions were not met, a liability is recognised.

Levies

Levies shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Interest

Revenue arising from the use of assets by others of the municipal assets yielding interest royalties and dividends shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Interest shall be recognised on a time proportionate basis that takes into account the effective yield on the asset;

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified.

The income recognised is in terms of the agency agreement.

1.9 REVENUE RECOGNITION (CONT)

Collection charges are recognised when such amounts are incurred.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue from the recovery of unauthorised irregular, fruitless and wasteful expenditure is based on legislated procedures.

Revenue are initially recognised at cost as permitted in terms of Gazette 30013 of 29 June 2007.

1.10 PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation, as a result of past events, that is probable to cause an outflow of resources embodying economic benefits required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

1.11 CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is raised.

1.12 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term investments that are held with registered banking institutions with maturities of 32 days or daily calls.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts. Bank overdrafts are recorded on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.13 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.14 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.15 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.16 COMPARATIVE INFORMATION

Budgeted amounts have been included in the annual financial statements for the current financial year only. When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

1.17 RETIREMENT BENEFITS

The municipality contributes towards retirement benefits of its employees and councillors to the under-mentioned pension funds:

- Joint Municipal Pension Fund
- Municipal Gratuity Fund
- SALA Pension Fund

Councillors are members of the Municipal Councillor's Pension Fund that was established in terms of the Remuneration of Public Office Bearers Act 1998 (Act 20 of 1998).

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

Contributions to the defined contribution pension plan in respect of service in a particular period are included in the employees' total cost of employment and are charged to the statement of financial performance in the year to which they relate as part of cost of employment.

1.19 BORROWING COSTS

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

1.20 CONSUMER DEPOSITS

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit equal to two months consumption of electricity and water services. Deposits are considered a liability as the deposit is only refunded once the service is terminated. No interest is paid on deposits.

1.21 EVENTS AFTER BALANCE SHEET DATE

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the balance sheet date. Events after the balance sheet date that are indicative of conditions that arose after the balance sheet date are dealt with by way of a note to the financial statements.

1.22 VALUE ADDED TAX

The municipality accounts for Value Added Tax on the invoice basis.

NOTES: 2-6

	2009 R	2008 R
2. RESERVES		
Government Grants Reserve	32 666 680	26 288 594
Donations and Public Contribution Reserve	1 291 176	1 291 176
	33 957 856	27 579 770
3. LONG TERM LIABILITIES		
Annuity loans	112 000	112 000
Less: Current portion transferred to current liabilities	-	-
	112 000	112 000
Refer to Appendix A for more detail on long term liabilities.		
4. CONSUMER DEPOSITS		
Electricity and Water	418 583	408 036
No interest is paid on deposits.		
5. TRADE AND OTHER PAYABLES		
Trade Creditors	3 849 420	3 470 412
Sundry deposits	-	2 750
Capricorn District Mun.-Bridging finance	-	-
Other creditors	3 444 964	1 195 430

RDP housing development
Staff leave
Retention money

-
1 063 190
1 939 422

-
1 254 146
131 269

10 296 996

6 054 009

Creditors are recognised at cost and no interest was recognised as a result of any time value of money adjustments as permitted per gazette 30013 of 29 June 2007.

6. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Finance management grant
Municipal systems improvement grant
Municipal infrastructure grant
LED Grant
RDP Housing grant

139 130
504 076
(5 186 870)
643 113
294 617

648 796
879 320
2 943 635
643 113
294 617

(3 605 934)

5 409 481

See note 16 for reconciliation of grants.
These amounts are invested until utilised.

NOTE: 7

2. RESERVES

Government Grants Reserve
Donations and Public Contribution Reserve

**2009
R**
32 666 680
1 291 176

**2008
R**
26 288 594
1 291 176

33 957 856

27 579 770

3. LONG TERM LIABILITIES

Annuity loans
Less: Current portion transferred to current liabilities

112 000
-

112 000
-

112 000

112 000

Refer to Appendix A for more detail on long term liabilities.

4. CONSUMER DEPOSITS

Electricity and Water

418 583

408 036

No interest is paid on deposits.

5. TRADE AND OTHER PAYABLES

Trade Creditors	3 849 420	3 470 412
Sundry deposits	-	2 750
Capricorn District Mun.-Bridging finance	-	-
Other creditors	3 444 964	1 195 430
RDP housing development	-	-
Staff leave	1 063 190	1 254 146
Retention money	1 939 422	131 269

10 296 996	6 054 009
-------------------	------------------

Creditors are recognised at cost and no interest was recognised as a result of any time value of money adjustments as permitted per gazette 30013 of 29 June 2007.

6. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Finance management grant	139 130	648 796
Municipal systems improvement grant	504 076	879 320
Municipal infrastructure grant	(5 186 870)	2 943 635
LED Grant	643 113	643 113
RDP Housing grant	294 617	294 617

(3 605 934)	5 409 481
--------------------	------------------

See note 16 for reconciliation of grants. These amounts are invested until utilised.

NOTES: 8-30

	2009 R	2008 R
8. INVESTMENTS		
Short Term Fixed Deposits		
Nedbank	14 678	1 025 517
Long Term Fixed Deposits		
NTK Shares	311	311
	14 989	1 025 827
Council's valuation of investments	14 989	1 025 827

No investments have been written off during the year.

9. NON CURRENT RECEIVABLES

Motor car loans	24 262	127 348
Less: current portion transferred to current receivables	-	(122 411)
	24 262	4 937

Senior staff were previously entitled to car loans which attracted different interests and which are repayable over a maximum period of 5 years. These loans are repayable in the year 2009.

10. INVENTORY

Consumable stock	29 248	21 748
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Inventory is recorded at the lower of cost and net realisable value.

11. CONSUMER DEBTORS

	Gross Balance	Provision for Bad Debt	Net Balance
30 June 2009	9 347 512	(4 043 778)	5 303 734
Service debtors:			
Property rates	2 991 910	(1 564 880)	2 991 910
Electricity	987 954	(569 332)	987 954
Water	2 661 809	(1 310 794)	2 661 809
Sewerage	1 512 938	(8 029)	1 512 938
Refuse	1 192 901	(590 743)	1 192 901
Other	5 411 826	(2 494 255)	5 411 826
	14 759 338	(6 538 033)	10 715 560
30 June 2008	6 338 975	(4 043 778)	(4 101 374)
Service debtors:			
Property rates	2 428 995	(1 564 880)	(1 539 964)
Electricity	898 010	(569 332)	(569 332)
Water	2 067 523	(1 310 794)	(1 310 794)
Sewerage	12 664	(8 029)	(8 029)
Refuse	931 782	(590 743)	(590 743)
Estates			
Other	3 107 128	(2 494 255)	(2 494 225)
	9 446 103	(6 538 033)	(6 595 599)

11. CONSUMER DEBTORS (CONT)

AGEING OF CONSUMER DEBTORS

Property Rates		
Current (0-30 days)	109 798	117 824

31–60 days	79 618	83 053
61–90 days	70 785	71 922
91–120 days	2 731 708	2 156 196
Sub-total	2 991 910	2 428 995
Electricity		
Current (0-30 days)	143 222	113 503
31–60 days	43 284	53 391
61–90 days	39 054	37 805
91–120 days	762 395	693 311
Sub-total	987 954	898 010
Water		
Current (0-30 days)	78 864	69 696
31–60 days	66 695	62 825
61–90 days	60 729	58 399
91–120 days	2 455 521	1 876 603
Sub-total	2 661 809	2 067 523
Sewerage		
Current (0-30 days)	42 179	
31–60 days	34 329	
61–90 days	32 624	
91–120 days	1 403 805	12 664
Sub-total	1 512 938	12 664
Refuse		
Current (0-30 days)	30 738	34 008
31–60 days	26 654	28 129
61–90 days	25 660	25 824
91–120 days	1 109 849	843 822
Sub-total	1 192 901	931 782
Other		
Current (0-30 days)	130 517	129 304
31–60 days	99 289	107 857
61–90 days	87 728	58 194
91–120 days	5 094 292	3 720 073
Sub-total	5 411 826	4 015 428
Total consumer debtors	14 759 338	10 354 403
Made up as follows:		
Current (0-30 days)	535 318	464 335
31–60 days	349 870	335 255
61–90 days	316 580	252 144
91–120 days	13 557 569	9 302 669
	14 759 338	10 354 403

Debtors are recognised at cost as permitted in terms of gazette 30013 of 29 June 2007

12. OTHER RECEIVABLES

Other debtors	431 007	742 587
VAT	5 650 127	805 069
	<u>6 081 135</u>	<u>1 547 657</u>

Other debtors are recognised at cost as permitted in terms of gazette 30013 of 29 June 2007.

13. CASH AND CASH EQUIVALENTS

The municipality has the following bank accounts:

Nedbank: Dendron
Account number: 1467000442

Current account (primary bank account)

Bank statement balance at beginning of year	<u>7 612 089</u>	<u>1 697 121</u>
Bank statement balance at end of year	<u>7 612 089</u>	<u>7 612 089</u>

Cash book balance at beginning of year

Cash book balance at end of year	<u>(4 630 653)</u>	<u>4 553 868</u>
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Petty cash

Balance at end of year	-	2 690
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Total cash resources	<u>(4 630 653)</u>	<u>4 556 558</u>
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14. PROPERTY RATES

All properties	1 463 306	1 443 679
	<u>1 463 306</u>	<u>1 443 679</u>

VALUATIONS

Residential
Government
Commercial
Municipal

Valuations on land are performed every four years and the last general valuation come into effect on 1 July 1999. The basic rate for 2007/8 was 11.5c in the Rand on land. A rebate of 30% was granted to land zoned as residential 1. A rebate of 20% was granted to pensioners and medical unfit owners.

15. SERVICE CHARGES

Sale of electricity	2 213 135	2 191 151
Sale of water	670 358	613 524
Refuse removal	433 128	440 072
Sewerage and sanitation charges	584 662	605 559
Other service charges - Basic	-	
	3 901 283	3 850 306

16. GOVERNMENT SUBSIDIES & GRANTS

Operating Grants

Equitable share	36 466 358	26 860 621
Finance management grant (FMG)	34 346 448	26 635 721
Municipal systems improvement grant (MSIG)	1 009 666	13 333
LED Grant	1 110 244	4 680
	0	206 887

Capital Grants

Municipal infrastructural grant (MIG) (see note 6)	14 508 591	4 538 986
Total Government Grants & Subsidies	50 974 949	31 399 607

Equitable Share

This grant is an unconditionally grant and is partially utilized for the provision of indigent support through free basic services.

Finance Management Grant

Balance unspent at beginning of year	648 796	162 129
Current year receipts	500 000	500 000
Conditions met – transferred to revenue	(1 009 666)	(13 333)
Unspent amount transferred to liabilities	139 130	648 796

(see note 6)

This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA, 2003. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

Municipal Systems Improvement Grant

Balance unspent at beginning of year	879 320	150 000
Current year receipts	735 000	734 000
Conditions met – transferred to revenue	(1 110 244)	(4 680)
Unspent amount transferred to liabilities	504 076	879 320

(see note 6)

This grant was used to build in-house capacity to perform their functions and stabilize institutional and governance systems. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of year	2 943 635	-
Current year receipts	6 378 086	7 482 591
Conditions met – transferred to revenue	(14 508 591)	(4 538 956)
Unspent amount transferred to liabilities/ (current Assets)	(5 186 870)	2 943 635

(see note 6)

This grant was used to construct basic municipal infrastructure to provide basic services for the benefit of poor households. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

LED Grant

Balance unspent at beginning of year	643 113	-
Current year receipts	-	850 000
Conditions met – transferred to revenue	-	(206 887)
Unspent amount transferred to liabilities	643 113	643 113

(see note 6)

The grant was utilised for LED proejcts.

17. PUBLIC CONTRIBUTIONS, DONATED & CONTRIBUTED PROPERTY, PLANT & EQUIPMENT

Capricorn District Municipality	-	-
Other grants	-	-
Total donated property, plant & equipment	-	-

**18. INVESTMENT REVENUE
EXTERNAL INVESTMENTS**

Current account	-	888
External investments	(52 422)	69 063

		(52 422)	69 951
19.	OTHER REVENUE		
	Building plan fees	434 496	8 333
	Interest car loans	3 749	6 366
	Grave Fees	21 684	16 302
	New Connections	93 210	46 701
	Reconnections	14 092	14 142
	Sale of stands	339 883	116 940
	Sundry revenue	291 608	687 645
		1 198 723	896 428
20.	EMPLOYEE RELATED COSTS		
	Employee related costs - Salaries and wages	14,220,214.31	9 116 934
	Employee related costs - Social contributions	2 725 777	2 066 497
	Travel allowances	1 319 162	2 285 615
	Overtime	1 064 055	47 488
		19 329 208	13 516 534
	Remuneration of Managers		
	Municipal Manager		
	Annual remuneration	578 750	588 750
	Allowances	120 000	120 000
	Council Contributions		
		698 750	708 750
	Community Manager		
	Annual remuneration	400 240	292 799
	Allowances	166 411	99 000
	Council Contributions	29 085	88 376
		595 736	480 175
	LED Manager		
	Annual remuneration	400 240	295 451
	Allowances	99 000	99 000
	Council Contributions	30 617	92 307
		529 857	486 758
20.	EMPLOYEE RELATED COSTS		
	Technical Manager		
	Annual remuneration	194 681	323 636
	Allowances	49 500	99 000
	Council Contributions	22 580	67 711
		266 761	490 347
	The Manager resigned in December		

2008

Corporate Manager

Annual remuneration	400 644	333 870
Allowances	146 135	50 000
Council Contributions	-	-
	546 778	383 870

Financial Services Manager - Chief
Financial Officer

Annual remuneration	70 667	-
Allowances	36 000	-
Council Contributions	-	-
	106 667	-

The CFO was appointed in May
2009

During the year no performance
bonuses were paid out in terms of
Section 57 of the Municipal Systems
Act.

21. REMUNERATION OF COUNCILLORS

Mayor	385 710	460 775
Speaker	313 680	368 619
Chief Whip	294 192	345 580
Executive Committee	638 442	570 206
Councillors	1 891 158	2 330 869
	3 523 183	4 076 049

The Executive Mayor, Speaker and
Chief Whip are full time. Each is
provided with an office and secretarial
support at the cost of Council.

The Executive Mayor has use of a
Council owned vehicle and driver for
official duties.

22. FINANCE COST

Annuity loan	-	523
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23. BULK PURCHASES

Electricity	2 248 432	2 282 531
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24. GENERAL EXPENSES

Advertising Printing And Stationery	1 115 357	505 690
Audit Fees	637 000	541 205

Books Publications And Amendments	17 182	14 893
Cell Phones	726 389	299 500
Depreciation	4 407 560	
Entertainment Expenses	27 593	-
Events	144 490	322 245
Consultany Fee	-	942 587
Fuel Vehicles	1 566 067	601 297
Diesel	-	480 000
Security Fee	1 120 179	475 644
Insurance	455 582	388 015
Postage And Telephone	632 083	640 872
Rental Office Machines	488 892	362 639
Town Planning	33 600	-
Training And Conferences	538 056	333 059
Traveling And Subsistence	566 402	880 753
LED Expenditure	132 596	814 473
IDP Expenditure	218 138	204 604
Other expenditure	7 740 394	4 260 802
	20 567 559	12 068 277

25.

CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GAMAP

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP:-

25.1 Statutory Funds

Balance previously reported:-

Capital Development Fund
Land Trust Fund

Implementation of GAMAP

Total (credited to Accumulated
Surplus) (see 25.5 below)

25.2

Loans Redeemed and Other Capital Receipts

Balance previously reported:-

Implementation of GAMAP

Transferred to Government Grant
Reserve

Transferred to Donations and Public
Contribution Reserve

Total (debited to Accumulated
Surplus) (see 25.5 below)

25.3

Property, plant and equipment

Balance previously reported:-

Implementation of GAMAP

Previously reported amounts written off that no longer meet the criteria of an asset

Total (debited to Accumulated Surplus) (see 25.5 below)

25.4

Accumulated Depreciation

Balance previously reported:-

Implementation of GAMAP

Backlog depreciation: Buildings

Backlog depreciation: Community

Backlog depreciation: Infrastructure

Backlog depreciation: Other

Total (debited to Accumulated Surplus) (see 25.5 below)

25.5

Accumulated surplus

Implementation of GAMAP

Transferred from Reserves (see 25.1 above)

Transferred from Loans redeemed and Other Capital Receipts (see 25.2 above)

Assets not meeting the criteria (see 25.3 above)

Backlog depreciation (see 25.4 above)

26.

CASH GENERATED FROM/(UTILISED IN) OPERATIONS

Net surplus for the year

Adjustment for:

Depreciation charges

Interest received

Interest paid

Prior year adjustment

Non-operating income

Gamap Grap implementation

Operating surplus before working capital changes

(Increase)/decrease in inventory

(Increase)/decrease in debtors

(Increase)/decrease in other receivables

Increase/(decrease) in creditors

Increase/(decrease) in unspent grants

Increase/(decrease) in consumer deposits

Cash generated by operations

6 047 991

4 575 230

4 407 560

3 446 818

(52 422)

(69 951)

-

523

(2)

539 404

(452 994)

(452 994)

9 950 133

(8 039 030)

(6 907 881)

(2 186 950)

(4 533 478)

725 939

4 242 988

(169 385)

(2 553 479)

5 097 352

10 547

14 528

208 831

11 520 514

27.	CAPITAL COMMITMENTS		
	Commitments in respect of capital expenditure:		
	Approved and contracted for		
	Community assets	1 266 000	974 155
	Electricity	109 520	
	Roads	7 500 000	
		8 875 520	974 155
	This expenditure will be financed from		
	Government grants	8 875 520	974 155
		8 875 520	974 155
28.	ADDITIONAL DISCLOSURES IN TERMS OF SECTION 125 OF MUNICIPAL FINANCE MANAGEMENT ACT, 2003		
	PAY AS YOU EARN		
	Current payroll deductions	2,604,885	2,038,438
	Amount paid current year	(2,604,885)	(2,038,438)
	Balance unpaid (included in creditors)	0	-
	Audit Fees		
	Current year audit fee	637 000	541 205
	Amount paid current year	(452 823)	(541 205)
	Balance unpaid (included in creditors)	184 177	-
	VAT		
	VAT is payable on the receipt basis. Only once payment is received from debtors is VAT paid over to SARS. VAT input receivables and VAT output receivable are shown in notes 14 and 7 respectively. All VAT returns have been submitted by the due date throughout the year.		
28.	ADDITIONAL DISCLOSURES IN TERMS OF SECTION 125 OF MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (CONT)		
	Pay as You Earn (PAYE)		
	Current payroll deductions	2 604 885	2 038 438
	Amount paid current year	(2 604 885)	(2 038 438)
	Balance unpaid	0	-
	Unemployment Insurance Fund (UIF)		
	Current payroll deductions	230 209	157 211
	Amount paid current year	(230 209)	(157 211)
	Balance unpaid	(0)	-

Pension Fund

Current payroll deductions

3 806 540

2 937 986

Amount paid current year

(3 806 540)

(2 937 986)

Balance unpaid**(0)****-****Medical Aid**

Current payroll deductions

1 113 769

710 070

Amount paid current year

(1 113 769)

(710 070)

Balance unpaid**(0)****-**

29.

**UNAUTHORISED, IRREGULAR,
FRUITLESS AND WASTEFUL
EXPENDITURE DISALLOWED****Reconciliation of fruitless and wasteful expenditure**

Opening Balance

-

51 774

Fruitless and wasteful expenditure
current year

Condoned or written off by Council

To be recovered - Contingent Asset

Fruitless and wasteful expenditure
awaiting condonement/recovery**-****51 774**

The fruitless and wasteful expenditure
refers to interest and penalties charged
by SARS.

**Reconciliation of irregular
expenditure**

Opening Balance

2 392 660

2,392,660

Irregular expenditure current year

Condoned or written off by Council

To be recovered - Contingent Asset

Irregular expenditure awaiting
condonement/recovery**2 392 660****2 392 660**

Am amount of R1 775 210 refers to the
overpayment of councillors whilst an
amount of R617 450 refers to the over-
expenditure on a capital project.

**Reconciliation of unauthorised
expenditure**

Opening Balance

-

-

Irregular expenditure current year

(8 130 505)

Condoned or written off by Council

-

(8 130 505)**-**

This is resulting from MIG projects. Council received an allocation of R 10378000 for which R 4000000 was reallocated due to low spending in the 2007/2008 financial year. Appointments on projects were also made for more than the council approved budget. The liability will be recovered from 2009/2010 MIG allocations

30.

CONTINGENT LIABILITY

There is a contingent liability with regards to employees who had their services terminated and then later appealed. On 4 June 2008, three employees, N Moremi, G Rapholo and M J Morokolo were dismissed after being found guilty for charges levelled against them by a disciplinary tribunal. As all three employees appealed, a contingent liability arises, which could result in an obligation for the municipality to make payments to the abovementioned individuals in the event that they are successful in court for their appeals. There is uncertainty to the outcome as well as amounts that might fall due to the abovementioned employees.

ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2009										
	HISTORICAL COST					ACCUMULATED DEPRECIATION				Carrying Value
	Opening Balance	Additions/Transfers	Under Construction	Fair Value	Closing Balance	Opening Balance	Additions/Transfers	Fair Value	Closing Balance	
	R	R	R	R	R	R	R	R	R	R
LAND & BUILDINGS	7,963,102	-	-	-	7,963,102	9,295,929	272,954	-	900,475	7,062,627
Land	45,423			-	145,423	-	-	-	-	145,423
Buildings	7,817,679				7,817,679	627,521	272,954		900,475	6,917,204
INFRASTRUCTURE	34,306,021	1,464,852	-	-	35,770,873	7,900,912	1,587,323	-	9,488,235	26,282,638
Roads, pavements, bridges & stormwater	3,217,395	19,087		-	3,236,482	287,349	107,780		395,129	2,841,353
Water reservoirs & reticulation	21,970,228			-	21,970,228	5,709,655	1,087,196		6,796,851	15,173,377
Car parks, bus terminals & taxi ranks							-			-
Electricity reticulation	1,570,802	1,445,765			3,016,567	137,283	93,043		230,326	2,786,241
Sewerage purification & reticulation	7,547,596	-		-	7,547,596	1,766,625	299,304		2,065,929	5,481,667
Housing						-				-
Street lighting										
Refuse sites						-				-

Other (town planning & development)						-					-
COMMUNITY ASSETS	1,593,625	-	-	-	1,593,625	50,027	80,754	-	130,781	1,462,844	
Establishment of parks & gardens						-				-	
Sports fields											
Community halls											
Libraries							-				
Recreational facilities	1,593,625	-		-	1,593,625	50,027	80,754		130,781	1,462,844	
Clinics											
Museums & art galleries											
Other (fire services & cemeteries)											
OTHER ASSETS	13,341,026	3,075,784	-	4,000	16,420,810	4,546,858	2,465,645	884	7,013,387	9,407,423	
Other motor vehicles	9,760,818	1,977,095		-	11,737,913	3,007,997	1,529,647		4,537,644	7,200,269	
Plant & equipment	1,216,150	-		-	1,216,150	500,367	235,915		736,282	479,868	
Office equipment	878,074	-		-	878,074	338,241	141,720		479,961	398,113	
Furniture & Fitting	797,310	450,074		-	1,247,384	394,431	227,998		622,429	624,955	
Security measures (including fencing)						-				-	
Civic land & buildings						-				-	
Computer Equipment	688,675	648,615	-	4,000	1,341,290	305,822	330,365	884	637,071	704,219	
SPECIALISED VEHICLES	-	-	-	-	-	-	-	-	-	-	
Refuse						-				-	
Fire						-				-	
TOTAL	57,203,774	4,540,636	-	4,000	61,748,410	47,539,968	4,406,676	884	17,532,878	44,215,532	

APPENDIX C

SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2009

	HISTORICAL COST					ACCUMULATED DEPRECIATION				
	Opening Balance	Additions/ Transfers	Under Construction	Fair Value	Closing Balance	Opening Balance	Additions/ Transfers	Disposals	Closing Balance	Carrying Value
	R	R		R	R	R	R	R	R	R
EXECUTIVE COUNCIL	12,332,796	494,679	-	4,000	12,831,475	3,196,715	1,271,306	-	4,468,021	8,363,454
Municipali Manager	4,066,392	-		-	4,066,392	1,206,718	684,718		1,891,436	2,174,956
Council General Expenses	8,266,404	494,679		4,000	8,765,083	1,989,997	586,588		2,576,585	6,188,498
FINANCE & ADMINISTRATION	480,017	296,242	-	-	776,259	247,459	195,714	-	443,173	333,086
Finance	480,017	296,242			776,259	247,459	195,714		443,173	333,086
Information technology										
Human resources										
Property services										
Other & admin										
PLANNING & DEVELOPMENT	763				763	763	109	-	872	(109)
Local Economic Development	763				763	763	109		872	(109)
ROAD TRANSPORT	24,450,494	2,303,950	-	-	26,754,444	4,954,971	1,797,524	-	6,752,495	20,001,949
Traffic and Licencing	2,828,658	1,312,009			4,140,667	207,529	386,550		594,079	3,546,589
Public Works	21,621,836	991,941			22,613,777	4,747,443	1,410,974		6,158,417	16,455,360
HEALTH	-				-	-	-	-	-	-
Clinics										-
Health other										-
COMMUNITY & SOCIAL SERVICES	163,901				163,901	31,535	16,049	-	47,584	116,317
Libraries & archives	163,901	-			163,901	31,535	16,049		47,584	116,317
Community halls & facilities										
Cemeteries & crematoriums										
PUBLIC SAFETY	-	-	-	-	-	-	-	-	-	-
Fire										
Traffic	-				-	-			-	-
SPORT & RECREATION	-	-	-	-	-	-	-	-	-	-
Sport & recreation										
WASTE WATER MANAGEMENT	-	-	-	-	-	-	-	-	-	-
Sewerage										
Public toilets										
WASTE MANAGEMENT	-	-	-	-	-	-	-	-	-	-
Solid waste										
HOUSING	-	-	-	-	-	-	-	-	-	-
Housing										
WATER	18,185,041	-		-	18,185,041	4,999,592	1,031,312	-	6,030,904	12,154,138
Water	18,185,041	-			18,185,041	4,999,592	1,031,312		6,030,904	12,154,138
ELECTRICITY	1,590,761	1,445,765	-	-	3,036,526	144,283	95,546	-	239,829	2,796,697
Electricity	1,590,761	1,445,765			3,036,526	144,283	95,546		239,829	2,796,697
TOTAL	57,203,774	4,540,636	-	4,000	61,748,410	13,575,318	4,407,560	-	17,982,878	43,765,531

DETAILED SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

2008 Actual Income	2008 Actual Expenditure	2008 Actual Surplus/ (Deficit)		2009 Actual Income	2009 Actual Expenditure	2009 Actual Surplus/ (Deficit)
R	R	R		R	R	R
26 843 190	14 634 030	12 209 159	Executive & Council	34 524 267	20 316 944	14 207 323
26 636 303	10 598 164	16 038 139	Councils General Expenses	34 363 905	7 381 289	26 982 616
-	2 275 045	(2 275 045)	Municipal Manager	-	1 610 315	(1 610 315)
206 887	1 760 822	(1 553 935)	Corporate Services	160 362	11 325 340	(11 164 978)
2 641 092	4 020 018	(1 378 926)	Finance & Admin	3 587 515	5 710 623	(2 123 108)
-	-	-	Assessment Rates	1 463 305	-	1 463 305
2 641 092	4 020 018	(1 378 926)	Finance and Fixed Properties	2 124 210	5 710 623	(3 586 413)
-	-	-	Planning & Development	1 284 990	2 104 900	(819 910)
-	-	-	Local Economic Development	1 284 990	2 104 900	(819 910)
3 415 569	2 131 796	1 283 773	Community Services	3 379 228	6 016 933	(2 637 705)
3 415 569	2 131 796	1 283 773	Library	3 379 228	6 016 933	(2 637 705)
-	-	-	Parks, Estates and Cemeteries	-	-	-
9 890	-	9 890	Waste Management	-	-	-
9 890	-	9 890	Sewerage	-	-	-
-	-	-	Refuse Removal	-	-	-
5 624 661	12 426 831	(6 802 170)	Roads Transport	11 939 377	5 732 903	6 206 474
5 624 661	7 196 629	(1 571 968)	Public Works	11 939 377	5 732 903	6 206 474
-	5 230 201	(5 230 201)	Traffic and Licencing	-	-	-
678 182	1 343 867	(665 685)	Water	1 401 043	1 146 300	254 743
678 182	1 343 867	(665 685)	Water	1 401 043	1 146 300	254 743
2 314 701	2 592 064	(277 363)	Electricity	2 515 127	6 364 326	(3 849 199)
2 314 701	2 592 064	(277 363)	Electricity	2 515 127	6 364 326	(3 849 199)
41 527 285	37 148 607	4 378 678	Sub-Total	58 631 547	47 392 929	11 238 618
		-	Less: Inter-Departmental Charges			-
41 527 285	37 148 607	4 378 678	Total	58 631 547	47 392 929	11 238 618

MOLEMOLE MUNICIPALITY
APPENDIX E (1)
ACTUAL OPERATING VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009

	2009 Actual	2009 Budget	2009 Variance	2009 Variance	Explanations of significant variances greater than 10% versus budget
	R	R	R	%	
REVENUE					
Property rates	1 463 306	1 526 310	(63 004)	(4.13)	
Service charges	4 002 360	5 125 820	(1 123 460)	(21.92)	
Rental of facilities and equipment	148 784	245 888	(97 104)	(39.49)	
Interest earned – external investments	-	-	-	-	
Interest earned – outstanding debtors	655 490	409 339	246 151		
Fines, Licensing & Permits	3 377 190	4 535 633	(1 158 443)	(25.54)	
Revenue for agency services	-	-	-		
Government grants & subsidies – operating	37 057 478	38 459 559	(1 402 081)	(3.65)	
Government grants & subsidies – capital	10 878 000	13 321 721	(2 443 721)	(18.34)	
Other revenue	1 009 940	5 880 196	(4 870 256)	(82.82)	Over budgeting of revenue
Gains on disposal of property, plant & equipment		-	-		
Total Revenue	58 592 548	69 504 466	(10 911 918)	(15.70)	
EXPENDITURE					
Employee related costs	19 427 501	19 335 208	92 293	0.48	
Remuneration of councillors	3 529 183	3 523 183	6 000	0.17	
Bad debts		-	-	-	
Depreciation	4 407 560	-	4 407 560		
Repairs & maintenance	4 462 854	3 697 563	765 291	20.70	Under budgeting of repairs & maintenance
Finance Cost	-	-	-	-	
Bulk purchases	2 248 432	2 500 000	(251 568)	(10.06)	Over budgeting of electric purchases
Contracted services	-	-	-	-	Disclosed under general expenses
Grants & subsidies paid	-	-	-	-	Disclosed under general expenses
General expenses		16 774 432	(16 774 432)	(100.00)	
Loss on disposal of property, plant & equipment	-	-	-	-	
Contributions to/(transfers from) provisions	17 042 362	-	17 042 362	-	
Total Expenditure	51 117 892	45 830 386	5 287 506	11.54	
NET SURPLUS/(DEFICIT) FOR THE YEAR	7 474 656	23 674 080	(16 199 424)	(68.43)	

FOR THE YEAR ENDED 30 JUNE 2009

	2009	2009	2009	2009	2009	2009	
	Actual R	Under Construction R	Total Additions R	Budget R	Variance R	Variance %	Explanations of significant variances greater than 5% versus budget
EXECUTIVE & COUNCIL	498 679	-	(498 679)	1 690 010	(2 188 689)	(130)	
Councils General Expenses	498 679	-	(498 679)	1 690 010	(2 188 689)	(130)	Project under construction
Municipal Manager	-		-	-	-		
Corporate Services	-		-	-	-		
FINANCE & ADMINISTRATION	296 242	-	(296 242)	-	(296 242)		
Finance	296 242		(296 242)		(296 242)		
Other & Admin			-		-		
LOCAL ECONOMIC DEVELOPMENT			-	643 113	(643 113)	(100)	
LED	-		-	643 113	(643 113)	(100)	
ROAD TRANSPORT	15 720 391	13 416 441	(2 303 950)	7 500 000	(9 803 950)	(131)	
Public Works	15 720 391	13 416 441	(2 303 950)	7 500 000	(9 803 950)	(131)	
Traffic and Licencing			-	-	-		
COMMUNITY SERVICES	1 691 330	1 691 331	-	1 266 000	-	-	
Community Hall	1 691 330	1 691 331	-				
Library	-	-	-		-		
PUBLIC SAFETY	-		-	50 000	(50 000)	(100)	
Fire	-		-	-	-		
Traffic	-		-	50 000	(50 000)	(100)	
WASTE MANAGEMENT	-	-	-		-		
Sewerage			-		-		
Refuse Removal			-		-		
WATER	-	-	-		-		
Water Distribution			-		-		
Water Storage			-		-		
ELECTRICITY	1 696 427	250 662	(1 445 765)	2 541 055	(3 986 820)	(157)	
Electricity Distribution	1 445 765	-	(1 445 765)	1 445 765	(2 891 530)	(200)	
Street Lighting	250 662	250 662	-	1 095 290	(1 095 290)	-	
TOTAL	18 211 739	13 667 103	(4 544 636)	12 374 178	(16 918 814)	(137)	

Name of Grants	Name of organ of state or municipal entity	Total Receipts for the Year	Total Expenditure for the Year	Delay \ withheld	Gazette amount Municipal year	Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		Total	Total	Total	Total		Yes / No	
Equitable Share Financial Management Grant Municipal Systems Improvement MIG Grants cdm funding MPRA Fund	DPLG	34,346,448.00	34,346,448.00		34 346 448	None	Not Applicable	None
	National Treasury	500,000.00	1,009,666.00		500 000	None	Yes	None
	DPLG	735,000.00	1,110,243.72		735 000	None	Yes	None
	DPLG	6,378,086.00	14,508,591.15	4 000 000	10 378 086	None	Yes	None
	CDM	103,590.00	103,590.00		-	None	Yes	
	LGH	500,000.00	500,000.00		500 000	None	Yes	
		42,563,124.00	51,578,538.87	4,000,000.00	46,459,534.00			

CHAPTER 5:

INFRASTRUCTURE DEVELOPMENT & SERVICE DELIVERY.

TECHNICAL SERVICES DEPARTMENT.

The overview of the area includes provision of affordable, clean bulk and portable water according to RDP standard to 100% of the population by 2008. It should however be noted that the Municipality does maintenance and operation while the CDM is the water service authority.

The overview of the area includes provision of affordable, clean bulk and portable water according to RDP standard to 100% of the population by 2008. It should however be noted that the Municipality does maintenance and operation while the CDM is the water service authority.

Water

KPA	PROGRESS	CHALLENGES	REMEDIAL ACTION
Water : Operations and maintenance of water schemes	<ul style="list-style-type: none">• The local municipality has developed an indigent register for all areas where cost recovery is implemented.• The core responsibility of the division is to ensure sustainability in operations and maintenance of municipality water schemes. Two (2) water tankers were procured by municipality to provide water to villages with severe water shortages.• Due to continuous theft of diesel engines management took a resolution that all the new replacement of diesel engines will be taken to and from the pump houses on a daily basis.	<ul style="list-style-type: none">• Service providers were faced with problems of procuring engines that were stolen during the fourth quarter of the year because of high demand.	<ul style="list-style-type: none">• Follow up with the police shall be done to ensure apprehension of culprits.

ELECTRICITY

KPA	PROGRESS	CHALLENGES	REMEDIAL ACTION
ENERGY SERVICES	<ul style="list-style-type: none"> The overview included the bulk purchase and distribution. Of electricity. The electricity purchase and distribution functions of the municipality are administered as follows and include: <ul style="list-style-type: none"> Feeder line construction Extension of lines Reticulation co-ordination Identification of villages to be electrified Free Basic Electricity Each houses hold is given 50kw per month In order to provide efficient and affordable energy services, the municipality has electrified 725 household at Maphosa and post connection of 587 households. 	<ul style="list-style-type: none"> A problem was the delay in Eskom approving designs hence delays in implementation .In some instances Eskom also cited lack of supply capacity which affected progress 	<ul style="list-style-type: none"> Greater forward planning is required to ensure that villages targeted to benefit have Eskom capacity

SANITATION

KPA	PROGRESS	CHALLENGES	REMEDIAL ACTION
SANITATION SERVICES	<ul style="list-style-type: none"> Out of 27889 households, 8645 have access to sanitation Backlog – 19244 households. Out of 79 Schools, 75 have access to sanitation. Backlog 4 Schools. Out of 7 Clinics, 7 have access to sanitation. Backlog - 0 Estimate backlog cost at current prices of R4500 = R 873,828,900 million R436m is required per year to clear backlogs by 2010. 	<ul style="list-style-type: none"> Insufficient financial from resources to clear current backlog from district Pollution of ground water resources due to extensive dry sanitation methods Limited water resources to convert to wet sanitation 	<ul style="list-style-type: none"> The department recommended the use of local resources. 5This will reduce high costs and delivery of those resources just in time. Alternative sanitation implementation model.

INFRASTRUCTURE

KPA PROJECTS	PROGRESS	CHALLENGES	REMEDIAL ACTIONS
Schoenveld Pre-School	<ul style="list-style-type: none"> 100% complete and handed over to beneficiaries 100% complete and handed over to beneficiaries 100% complete and handed over to beneficiaries 100% complete and handed over to beneficiaries 100% complete and handed over to beneficiaries 90% complete 	<ul style="list-style-type: none"> The delays were caused by change of scope and approval of variation order 	<ul style="list-style-type: none"> The variation order was approved
Ramatjowe Pre-School			
Sefene Pre-School			
Madikana Pre-School			
Mogwadi Traffic Station			
Eisleben Community Hall			

5.2 COMMUNITY SERVICES DEPARTMENT.

Vision of the department.

Stemming from the vision of the whole municipality which is “ Provision of affordable and sustainable services” ours is to ensure that the provision of services is directed to the people who need it the most”. We are a department which deals with the people directly and as such we are best placed to know those who need the service and direct the municipal services to the people who in need of the service. Through this department our municipality will avoid incidents whereby services are duplicated to one person whereas there is a need of such a service elsewhere.

Mission of the department.

Our mission is to “ensure that services which are rendered to the communities do benefit the community”. We will do this by monitoring the services as whether they are of value to the community or not. We will always interact with them to check the impact brought by the services we render to the community.

Sports Council

We have as a department constituted the new Sports and Recreation Council after the 01st March 2006 Local Government Elections. We had the coaching clinics for the following sporting code;

- @ Net-ball
- @ Hand-ball
- @ Rugby
- @ Table Tennis

Molemole Sports Hub.

We have establish a sports hub at Ramokgopa stadium through Siyadlala Mass Participation Programme and have appointed Hub Coordinator and Activity Coordinators for the following sporting codes;

- @ Street soccer
- @ Street basketball
- @ Street Hand-ball
- @ Netball
- @ Indigenous games
- @ General gymnastics

KPA	KPI	PROJECT	BUDGET	FUNDER
Sports Services	To ensure participation of the community in sports	Siyadlala Mass Participation Programme		DSAC

Mayor's Marathon.

We have organized the Mayor's marathon which took place on the on the 09th July 2006 and we had a lot of interest from local athletes and members of the community who took part in the fun run. The mayor's marathon had prizes which were won by participants. It was a ten kilometer marathon with five kilometer fun run. We are planning to have the mayor's marathon annually to prepare our athletes for the annual premier's marathon.

KPA	KPI	PROJECT	BUDGET	FUNDER
Sports Services	To ensure participation of the community in sports	Mayor's marathon	R32550-00	Molemole

O.R. Tambo games.

These games takes place annually and this year we participated starting from ward level, to clusters and finally to the municipal level. We managed to get hundred percent of participation from our communities and have unearthed new talent from the communities. The municipality managed to have participants who took part at district, provincial and national level.

KPA	KPI	PROJECT	BUDGET	FUNDER
Sports Services	To ensure participation of the community in sports	O.R. Tambo Games	R250 270-10	Molemole

Maphungubwe Arts Festival.

The Maphungubwe arts festival started at ward level, cluster level and ultimately municipal level. We had groups and individuals who proceeded to the district level and managed to win eight trophies. This is history since the start of this festival Molemole has never won any trophy. We are proud of the participants who achieved this and would like to do more in future.

KPA	KPI	PROJECT	BUDGET	FUNDER
Arts and Cultural Services	To ensure maximum participation in arts and cultural activities	Maphungubwe arts and cultural festival	R29986-70	Molemole

Transport.

The department of community services was given a traffic station in July by the department of roads and transport. We are now fully in charge of the station and the station is doing very well in terms of income generation. The station will be managed by seconded officials for the period of three year after which the municipality should have been capacitated to run the station with its personnel and resources. We are planning to staff the station in the next financial year and ensure that we run it ourselves within the stipulated time. We are building another traffic station at Mogwadi which we will start operating it in 2008.

Disaster management.

The forum has been established in October and will function fully next year wherein a programme of action for the forum will be developed. The forum will together with relevant department be engaged in awareness campaigns to educate communities about the disaster management and train volunteers to deal with disaster incidents.

Molemole Fire Protection Association.

The association was established in terms of the national veld and forest fire act of 1998. This forum will deal with issues relating to veld fires and ensure that there is compliance in terms of the above mentioned act. The forum is in the process of registration with the national minister of water and forestry. The forum will start registering its member early next year and membership is open to all landowners in Molemole municipality.

Emergency Services.

We have managed to establish the branch for emergency services at Mogwadi and the branch is fully functional with three ambulances and twenty four personnel. We are pleased with this branch because our communities will have access to EMS at their door step. We are envisaging to expand the activities of this branch by taking them on board whenever we embark on the awareness campaigns.

The fire station.

The fire station at Botlokwa has been completed and the staffing of the station is on process and the station is expected to be fully functioning around April next year 2007. This station will help our communities in terms of fire fighting. We will use the personnel at the station to run awareness campaigns and also training of volunteers to deal with fire incidents.

Education Services.

The department of community services has identified three pre-school to be implemented in 2006/07 financial year. We have started with the construction of all the pre-schools and are expecting to complete the construction around March next year. We think this will go a long way in addressing the education back lock caused by the previous government. Three pre-schools for this financial year are Madikana, Sefene and Schoonveld.

KPA	KPI	PROJECT	BUDGET	FUNDER
Educational Services	To facilitate access to educational facilities	Madikana Pre-School	R447 000-00	Molemole through MIG
		Sefene Pre-School	R447 000-00	Molemole through MIG
		Schoonveld Pre-School	R447 000-00	Molemole through MIG

Waste Management.

Molemole municipality has revitalized Botlokwa Waste management and Mohodi Waste Management which are the two projects dealing with recycling. We have applied for full funding of this projects and are still waiting for approval by the department of environment and tourism.

KPA	KPI	PROJECT	BUDGET	FUNDER
Waste Management Services	To ensure proper management of waste	Revitation of Botlokwa waste management	R2000-00	Molemole through operational budget.
		Revitalisation of Mohodi waste management	R2000-00	Molemole through operational budget.

Thusong Services Centres.

We have two services centre which are Festus Mothudi and Botlokwa. The centres are fully operational. The challenge we are facing is the transfer of the building of Festus Mothudi to the municipality. We are unable to

generate any income at the centre because the building belongs to the department of public works and the department of education is still willing to use the building. We are still in the process of addressing the ownership issue with both education and public works departments.

Cemeteries

Presently the municipality is in charge of the two cemeteries which are located at Morebeng and Mogwadi. We are busy with the by-laws which will enable us to take over the cemeteries at rural villages of our municipality. We view this as the possible income generation exercise which will contribute towards the revenue of the municipality.

Safety and Security.

This services is rendered by the department of safety and security ours is to facilitate. We have facilitated the establishment of CPF's and the Molemole Community Policing Forum which will coordinate the activities of the other CPFs. The challenge we are having is three police stations which are operating in silos. We believe that the Molemole Community Policing Forum will address this matter and ensure that the activities of community safety are dealt with fully.

Health and Social Development.

This service is rendered by the department of health and social development and we are facilitating the provision of this service. There are clinics which are under-construction and some social development project in our municipality.

5.3 CORPORATE SERVICES DEPARTMENT:

ADMINISTRATION

The main objective is to provide support and auxiliary support services to all Departments and the political component of the Municipality.

KPA	PROGRESS
Fleet control	The Municipality has developed an internal fleet management system which enables us to track vehicle movement, fuel & maintenance cost
Office accommodation	We are experiencing a high shortage of office space to accommodate the entire staff complement. We have since advertised other vacant positions which will put further strain on the already overstretched office space. Council has since resolved that mobile offices be rented to ease congestion in the office and centralize offices for proper control and management. We are currently sourcing quotations in order to implement council resolution.
Effective Security Services	The Municipality has appointed Mmadiolwana Business Enterprise to provide security services. The contract will run for a period of three years commencing 01 January 2009, ending 31 December 2011. The service is running in both Morebeng and Mogwadi Branch Offices and the service provider is receiving payments in time.
Responsive and inviting customer care	The number of visitors and the nature of their enquiries are recorded. A suggestion book has been placed at our office entrances for suggestions and complains.
Reliable and efficient telecommunication service	The Telephone Management System has been installed and we have allocated pin codes with set budget limits for employees. Usage is constantly monitored
Timely and well-collated qualitative documents	Centralized printing and photocopying services provided and located at the print room area challenges exist with ensuring an uninterrupted service in this regard due to reliance on single machines without backup and reliance on offside maintenance services and at time their turnaround time is longer than desired. We are calling for proposals to procure a multifunction printing that can handle high volume copies by 31.Dec.2009

Records Management	Capital equipment required for implementing a proper filing system was installed and the operation thereof is been phased in stages overlapping into the 2008/2009 financial years. A file plan has been developed and we are currently familiarizing registry staff with it.
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COMMITTEE SERVICES.

Key functions in this regard relate to the provision of secretariat support services to institutional structure and the structured coordination of their activities, reports and records.

KPA	PROGRESS
<ul style="list-style-type: none"> Availability of Secretariat Services 	<ul style="list-style-type: none"> Institutional schedule of meetings developed. 4 ordinary council meetings, 8 special council meetings, 25 elected councilors & 8 Executive Committee Meetings i.e. 5 Corporate Services, 2 Community Services, 6 Development & Planning, 3 Technical Services & 4 Finance A total of 8 committee meetings successfully coordinated and 100% secretariat support.
<ul style="list-style-type: none"> Schedule on progress made with regard to the implementation of resolutions 	<ul style="list-style-type: none"> Schedule of previous resolutions & minutes serve at Council Committees and management in every meeting Progress on implementation of resolutions followed up and Council and its management updated.
<ul style="list-style-type: none"> To coordinate portfolio committees & project visits by Councilors & ward committee coordination 	<ul style="list-style-type: none"> The position for ward committee coordinator advertised. Portfolio committees coordinated

INFORMATION TECHNOLOGY.

The mandate of this function pertains to the provision of on side Information Technology Support Services and the design and integration of systems to ensure efficient administration and record management.

KPA	Progress
Integrated IT systems	<ul style="list-style-type: none"> IT policies are still in a draft state. Municipal website launched and we have a maintenance/update agreement signed with SITA Managers and deserving officials have been provided with Laptops Our IT Officer is providing IT maintenance on an ongoing basis Partitioning together with Air Conditioner for the server room has been completely installed Molemole municipality managed to procure 1x 3kva ups and the above 2x server are connected to it. Several Computer Hard & Software were purchased repaired, maintained and upgraded.

LEGAL OPINION.

Provide or alternatively source legal advice and contract management for the municipality.

KPA	Progress
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Legal Opinions	Ongoing legal opinions/advises is provided to municipal departments as and when is necessary.
Extended Legal Opinion	Implementation of outcomes of Forensic Audit

POLICY MANAGEMENT

KPA	Progress
1. Development and Review of Policies	<ul style="list-style-type: none"> • 10 policies were adopted • 14 policies were reviewed
2. Development and Adoption of By-Laws	<ul style="list-style-type: none"> • Draft By-Laws were developed • Public Participation sessions were held to consult the communities on developed of by-laws • By-laws have been adopted by council • By-Laws published in the provincial gazette [no. 1625, 25 May 2009]

SERVICE LEVEL AGREEMENTS

Develop and advice on the contractual structure of the service level agreements with external parties to minimize contractual legal loopholes.

Contract Description	Contracting Party/ies	Status
Website development and Maintenance	SITA	Signed
Provision of Security Services	Mmadiolwana Business Enterprise	Signed
Unbundling of electrical assets	Olwethu Electrical Consultants	Signed
Construction of Matipane to Madikane tar road	Malumash and M.A Ntjana JV	Signed
Cash collection services in Morebeng	Coin Security	Signed

LITIGATION AND SETTLEMENT

Pertains to processing of cases pursuit by or against the municipality in the courts of law in the interest.

KPA	Progress
Litigation	We only have a civil case pending in the High Court, i.e. eviction of the former Municipal Manager from the Municipal house

5.4 LOCAL ECONOMIC DEVELOPMENT AND PLANNING DEPARTMENT

1. Local Economic Development

The overview included all activities associated with economic development initiatives. Local Economic Development creates a platform for government private sector and local communities the opportunity to work together to improve the local economy.

The function of economic development within the municipality is administered as follows and includes:

- To create an environment that would stimulate economic growth and development in the next 5 (five) years (2011)

The strategic objectives of this function are to:

- Promote development of diverse and fast-growing economy
- To improve accessibility for SMME'S to business services, including training and mentoring, finances business opportunities etc
- Promote tourism in the municipality

- Increasing the productive capacity of local mines, farms, entrepreneurs and workers to improve and build competitive strength
- Ensure that appropriate skills are available locally and utilized in the market
- To promote Broad based Black Economic Empowerment (BBBEE) within the municipality.

The key issues for 2008/2009 were to support to manufacturing, SMME and Agriculture.

1.1 Support and Development of Agricultural Sector and SMME

Project	Progress	Challenges	Remedial Actions
Mangata poultry	Completed and handed over beneficiaries	Challenges were around the procurement process which took long	Employment of enough staff
Madikana Gardening	Completed and handed over to beneficiaries	The service provider could not finish the project in the specified time-frame	Additional time was given to the service provider with strong warning
Monono pottery	Purchased the resources for the beneficiaries	Delays were caused by the unavailability of some materials in the province	Material were purchased from Gauteng Province
Maswahla co-operative	Complete handed over to beneficiaries	Delays by the tribal authority to grant permission to utilize the site	The political component should encourage co-operation between the tribal authority and municipality

1.2 Support and Develop Manufacturing Sector

Project	Progress	Challenges	Remedial Actions
Botlokwa food processing factory	Completed and handed over to beneficiaries	Delays in the installation of processing machine and installation of electricity by Eskom	Ensure that Eskom speedily install electricity

Project	Progress	Challenges	Remedial Actions
Mineral and Mining Scanning	Completed	Delays by DME to release ownership Data to Service Provider	Manager LED has since written a letter to Director of Led to release an information to service provider

1.3 Partnership with LIBSA in Promoting and Supporting SMME

KPA	SMME Development	Total
For the facilitation for the creation of jobs in line with the PGDS	<ul style="list-style-type: none"> • Jobs Created • Business Profiles • Business Registration • Access to Finance • Workshops 	<ul style="list-style-type: none"> • 113 • 20 • 18 • 3 • 8

2. Strategy and Planning

The overview includes activities associated with the promotion of integrated development planning in order to achieve integration and harmonization of service delivery. It highlights the achievements, challenges experienced, expenditure to date and proposed interventions to improve the future performance of the unit.

2.1 Integrated Development Planning Unit

The objective of the IDP is derived from organizational strategic. Objectives in the unit are to perform and give support the following functions:

- To co-ordinate and increase integrated developmental planning.
- To forge strategic partnerships to enhance service delivery and socio-economic development
- To provide reliable monitoring and evaluation data for planning purposes
- To ensure community participation and involvement to ensure that batho Pele programme are met.
- To conduct research for proper planning and service delivery in the municipality
- Enhance co-ordination of departmental activities within municipality by National and Provincial Departments.

KPA's	Performance during the year, performance targets against actual achieved and plans to improve performance	Actual	Target
	<ul style="list-style-type: none"> • Adoption of IDP within the prescribed legal requirements • Public Participation sessions on the IDP conducted • Portfolio Committees Meeting 	Yes	28 may
		12	12
		12	12

2.2 Town Planning Unit

The overview includes activities associated with the management and co-ordination of the spatial planning processes within municipality and provides technical support in respect to spatial planning and land use management and in so doing correcting the apartheid settlement pattern and promoting integrated and sustainable human settlement.

The strategic objectives of this function are to:

- Address the spatial reconstruction of the location and nature of development
- To promote all aspects of spatial integration
- To create healthy, comfortable and safe living and working environments for all
- Provide strategic guidance in respect of the location and nature of development
- To facilitate development of sustainable developmental policies for the municipality.
- To enforce all aspects of national building regulation act

Project	Progress	Challenges	Remedial Actions
Township Establishment Dendron Extension 5	Sites were demarcated and pegged	No funds for installing services	Proposal was sent to DBSA
Promulgation of Land Use Management Scheme	Promulgated and gazetted	None	
Deeds of sale for vacant residential erven to be sold	Vacant residential & business stands owned by municipality have been identified	Valuation Roll is still in progress for the municipality to come up with a selling price	fasttrack the completion of valuation roll

SPECIAL FOCUS

A. Special focus: Youth

Our youth council's term of office expired on the 17 June 2008. But it was decided to extend it until 31 January 2010. The District youth council will facilitate the elections. John Sebone was replaced by Makgatla Thepa as the chairperson because he has other commitment.

KPA	PROGRESS
1. Youth Investment in Municipal activities	(i). Our youth council is participating in all district youth activities. (ii). Local youth parliament held on the 26 August 2009 at Matseke hall. The occasion was graced by the presence of the Mayor and other council members.
2. Mainstreamed youth activity	(i). Seven youth council meetings held. (ii). Youth council members were sent to different workshops. (iii). 64 delegates attended the launching of youth agency at Aganang Municipality. (iv). 28 delegates attended the provincial parliament in Tubatse. (v). 2 delegates attended the youth agency's workshop in Acornhoek. (vi). Our youth council visited different schools on voter education campaign.

B. Special Focus: Older Persons

KPA	PROGRESS
1. Mainstream older persons activities	(i). Our Municipality was represented by 78 people during the district older person cultural event held at Aganang Municipality. (ii). All our older persons activities are done in partnership with age in action SASSA and SAPS. (iii). Our acting youth officer represented the municipality during the national age in action meeting held in Bloemfontein.

C. Special Focus: Disability

KPA	PROGRESS
1. National building activities	(i). <u>Casual Day</u> In support of the people with disability found raisings project of casual day, we encouraged our staff members to buy stickers. (ii). <u>International day of disabled</u> Our acting youth officer formed part of the preparatory committees for the provincial international day of disabled people.

C. Special Focus: Gender

KPA	PROGRESS
1. Strengthened gender programme	(i). <u>Provincial woman's day</u> We hosted the launching of provincial women's month activities at Matseke cross. The event was graced by the presence of MEC for Transport and the Late MEC for Public Works. (ii). <u>Women's Parliament</u> A delegations of 20 women's led by the Mayor, attended both the district and the provincial women's parliament.

MAYORS SUPPORT

KPA	PROGRESS
Image Building & Customer Relations	<ul style="list-style-type: none"> Promotion of the corporate image during municipal events by branding as well as attendance of events coordinated by strategic partners to elicit support and buy inn.
Collective Leadership & Support	<ul style="list-style-type: none"> Ensure smooth processing of council decisions by administration through periodical progress reports. Joint processing of issues between Senior Managers and Council Executive Committee through regular meetings. Alignment of Council and Council Committees with that of management.
Inter Governmental Relations	<ul style="list-style-type: none"> Participate in the District and Provincial IGR structures. Establish bilateral relations with various sector departments or agency on issues of mutual benefit. Ensure participation and involvement of other spheres of government during municipal planning and review processes.
Alignment to National, Provincial, District & Local Government Strategies	<ul style="list-style-type: none"> Participate in technical forums and working groups including Municipal Manager's Forum; SALGA forums including in processes to ensure implementation of standardized approaches.
Stakeholder involvement	<ul style="list-style-type: none"> The office of the mayor has established a consultative structure with local Magoshi to leverage their participation and involvement in governance matters.

PERFORMANCE MANAGEMENT SYSTEMS (PMS)

KPA	PROGRESS
Policy Framework	<ul style="list-style-type: none"> Delegation of Authority Matrix developed & adopted to facilitate execution of various roles and responsibility. Development & approval of Service Delivery Budget Implementation Plans Performance management conducted in line with
Performance Management Tracking System	<ul style="list-style-type: none"> An electronic performance management system not in place. Quarterly, mid-year and annual Performance Assessments not conducted. The midyear & annual performance report for the year 2008/2009 has not compiled and submitted for audit by the office of Auditor General.
Contract Management	<ul style="list-style-type: none"> Employment contract for all senior managers have been concluded in terms of section 57 of the Municipal Systems Act. For the year under review the Accounting Officer had not entered into a signed performance agreement with the mayor as required by legislation. Managers reporting directly to the Accounting officer had concluded the annual performance agreement with the accounting officer. Strategic and mandatory powers, functions, objectives and targets as contained in the IDP and regulatory frameworks incorporated into Section 57 Annual Performance Contracts. For the year under review managers reporting directly to the Municipal Manager have signed their annual performance contract with the municipal manager. Service Delivery Budget Implementation Plans for all departments has been signed.

Performance Reporting & Reviews	<ul style="list-style-type: none"> • Departmental monthly performance reports submitted to the Accounting Officer • Quarterly performance reports submitted to DLGH • Performance review panel not constituted, midyear and annual performance reviews not conducted as mandated by legislation.
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AUDIT & RISK MANAGEMENT SERVICES

KPA	PROGRESS
Ensure an objective assessment of internal systems, controls and practices with a view to minimize risks and maintain acceptable levels and standard.	<ul style="list-style-type: none"> • A Position of Internal auditor established and filled. • Internal audit plan developed and implemented. • The internal audit committee has been established for the year under review • Coordination of work for the committee became lacking after the departure of the internal auditor during April 2009. • Shortcomings still prevalent with regards to the development of the external audit findings implementation plan and the implementation thereof. • The fact that the unit is accountable internally compromises the checks and balance that the committee should play including the structure with authority over the committee. • The human capital constrains experienced by the Internal Audit / Risk Management Unit has restricted the potential impact that the unit can perform in minimizing and turning around our accounting and operational procedures and systems.

MARKETING, EXTERNAL AN INTERNAL COMMUNICATION

The communication unit profile the municipality in order to endure that the corporate image and identity of the municipality and leadership are enhanced, ensured that information on key municipal programmes are availed to the media, public and the relevant stakeholders.

The following promotional items were developed in the communication section: newsletters, promotional pamphlets, notice boards. The only serious challenge was that municipality was unable to launch its website.

The municipality was able to effectively manage its corporate image during the period under review. The communication unit is busy making plans to come up with production of internal newsletter.

DECLARATION BY THE ACCOUNTING OFFICER

I, Tshepho Samwell Raselaya in my capacity as the Acting Municipal Manager of Molemole Local Municipality and the Accounting Officer, hereby wish to declare that:

1. The Mayor submitted the 2008/2009 annual report of the municipality, in terms of MFMA, Chapter 12, Section 127 (2), at a council meeting held on Friday 29th January 2010.
2. The said council meeting in (paragraph 1) above, was open to the public, in terms of MFMA Chapter 12, Section 130 (1).
3. Members of the public were invited to attend.
4. The Department of Local Government & Housing and Provincial Treasury were invited in terms of MFMA, Chapter 12, Section 130 (b).
5. The Office of the Auditor General was invited in terms of MFMA, Chapter 12, Section 130 (b) (2).
6. I have made public the annual report , in terms of MFMA , Chapter 12, Section 127 (5) (a) (i) .
7. I have invited the local community to submit representations in connection with the annual report in terms of MFMA Chapter 12, Section 127 (5) (a) (ii) .
8. I have submitted the annual report to:
 - The Auditor General
 - The Department of local Government and Housing, in terms of MFMA Chapter 12, Section 127 (5) (b)
9. I have also submitted the annual report to:
 - Limpopo Premier's Office
 - Salga Limpopo
 - Provincial Treasury
 - Capricorn District Municipality
 - Office of the Speaker
 - Chairperson of Ward Committees
 - Chairperson of Audit Committee
 - Chairperson o the Oversight Committee
 - National Treasury
 - COGTA

Tshepho Samwell Raselaya:
Acting Municipal Manager

Declaration by the Mayor

I, Maite Monicca Mohale, the Mayor of Molemole Local Municipality, hereby wish to declare that I have tabled this report of the 2008/2009 financial year, at a council meeting of our municipality, that took place on Friday, January 29th 2009, at the Council Chamber, 303 Church Street in Mogwadi, and that this annual report was tabled and discussed in terms of the MFMA, Chapter 12, Section 127 (2).

Signed

Councillor Maite Monicca Mohale

CONCLUSION.

Eventful as 2008/2009 was we recorded numerous milestones, we equally embraced and confronted various challenges that beset us we drawn valuable lessons from such experiences which will certainly inform our future actions.

Our public participation programs is one of our strong points that we hope to build in our quest to provide affordable and quality services that are responsive to the needs of our residents and strategic partners.

Fostering relations and cooperation with the public and private entities in pursuit of an improved quality of life of our people is one area that we need to leverage high on our agenda.

The municipality will equally need to seriously look into our internal processes and capacity to ensure that we acquire, retain, develop and enhance relevant skills, competencies and other resources to support improved overall performance.

Given our limited resources versatile strategies are required to ensure financial viability, social stability, economic efficiency and prosperity to this end we invite all our strategic partners to cooperate with us in our future ventures, tire not for the road ahead is still enormous and requires all the positive energies and vibes that characterize us as people.

Thank you.